DOCUMENT RESUME

ED 298 351 CE 050 959

TITLE The Vocational Rehabilitation Program. Hearings before the Subcommittee on Education, Training and Employment of the Committee on Veterans' Affairs. House of Representatives, One Hundredth Congress, First Session.

INSTITUTION Congress of the U.S., Washington, D.C. House Committee on Veterans' Affairs.

PUB DATE 11 May 88

NOTE 84p.; Serial No. 100-47. Some pages contain small, light type.

AVAILABLE FROM Superintendent of Documents, Congressional Sales Office, U.S. Government Printing Office, Washington, DC 20402.

PUB TYPE Viewpoints (120) -- Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC04 Plus Postage.

DESCRIPTORS *Disabilities; *Employment Programs; Federal Programs; Federal State Relationship; Job Training; Outcomes of Education; Postsecondary Education; *Program Effectiveness; *Program Improvement; Unemployment; *Veterans; Veterans Education; *Vocational Rehabilitation

IDENTIFIERS *Veterans Rehabilitation Act Amendments 1980

ABSTRACT

This document records the testimony and prepared statements of members of Congress, officials of the Veterans' Administration, private vocational rehabilitation experts, and representatives of veterans' groups such as the Disabled American Veterans and the American Legion at a hearing regarding the Vocational Rehabilitation Program enacted under the Veterans' Rehabilitation and Education Amendments of 1980. Some of the points made by those testifying were the following: (1) the Vocational Rehabilitation Program is understaffed, with some counselors having caseloads of almost 200 people; (2) more computerization of the Vocational Rehabilitation Program is needed; (3) the private sector does a much quicker job of rehabilitation, but with less emphasis on quality of job placement; (4) there is a lack of job placement assistance for veterans who are rehabilitated; (5) staffers are being trained to increase their efforts in job placement; (6) more effective efforts are needed, especially for those most severely disabled; and (7) help should be given more quickly than the 90 days that is usual between application and intake. (KC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

THE VOCATIONAL REHABILITATION PROGRAM

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

MAY 11, 1988

Printed for the use of the Committee on Veterans' Affairs

Serial No. 100-47

ED298351

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

U.S. GOVERNMENT PRINTING OFFICE
86-017 ⇆ WASHINGTON : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

ED298351

BEST COPY AVAILABLE

COMMITTEE ON VETERANS' AFFAIRS

G.V. (SONNY) MONTGOMERY, Mississippi, *Chairman*

DON EDWARDS, California
DOUGLAS APPLEGATE, Ohio
DAN MICA, Florida
WAYNE DOWDY, Mississippi
LANE EVANS, Illinois
MARCY KAPTUR, Ohio
TIMOTHY J. PENNY, Minnesota
HARLEY O. STAGGERS, JR., West Virginia
J. ROY ROWLAND, Georgia
JOHN BRYANT, Texas
JAMES J. FLORIO, New Jersey
KENNETH J. GRAY, Illinois
PAUL E. KANJORSKI, Pennsylvania
TOMMY F. ROBINSON, Arkansas
CHARLES W. STENHOLM, Texas
CLAUDE HARRIS, Alabama
JOSEPH P. KENNEDY, II, Massachusetts
ELIZABETH J. PATTERSON, South Carolina
TIM JOHNSON, South Dakota
JIM JONTZ, Indiana

GERALD B.H. SOLOMON, New York
JOHN PAUL HAMMERSCHMIDT, Arkansas
CHALMERS P. WYLIE, Ohio
BOB STUMP, Arizona
BOB McEWEN, Ohio
CHRISTOPHER H. SMITH, New Jersey
DAN BURTON, Indiana
MICHAEL BILIRAKIS, Florida
THOMAS J. RIDGE, Pennsylvania
JOHN G. ROWLAND, Connecticut
ROBERT K. DORNAN, California
ROBERT C. SMITH, New Hampshire
JACK DAVIS, Illinois

MACK FLEMING, *Chief Counsel and Staff Director*

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

WAYNE DOWDY, Mississippi, *Chairman*

ELIZABETH J. PATTERSON, South Carolina
JIM JONTZ, Indiana
LANE EVANS, Illinois
MARCY KAPTUR, Ohio
JOSEPH P. KENNEDY, II, Massachusetts

CHRISTOPHER H. SMITH, New Jersey
CHALMERS P. WYLIE, Ohio
THOMAS J. RIDGE, Pennsylvania
ROBERT K. DORNAN, California

CONTENTS

May 11, 1988

	Page
The Vocational Rehabilitation Program	1

OPENING STATEMENTS

Chairman Dowdy	1
Hon. Christopher H. Smith	2

WITNESSES

Bollinger, John C., associate legislative director, Paralyzed Veterans of America	20
Prepared statement of Mr. Bollinger	70
Cullinan, Dennis M., assistant director, National Legislative Service, Veterans of Foreign Wars of the United States	14
Prepared statement of Mr. Cullinan	44
Drach, Ronald W., national employment director, Disabled American Veterans	18
Prepared statement of Mr. Drach	57
McMahon, Brian T., executive director, New Medical Rehabilitation Center of Wisconsin, and president, American Rehabilitation Counseling Association	9
Prepared statement of Mr. McMahon	37
Rosenbleeth, Col. Herbert, national legislative director, Jewish War Veterans of the United States	17
Prepared statement of Mr. Rosenbleeth	55
Walsh, Samuel J., assistant director, National Legislative Commission, the American Legion; accompanied by Philip R. Wilkerson, assistant director, National Veterans Affairs and Rehabilitation Commission	15
Prepared statement of the American Legion	47
Wyant, Dennis R., Director, Vocational Rehabilitation and Education Service, Veterans' Administration; accompanied by James Reed, assistant director, Vocational Rehabilitation and Counseling Service; and James Kane, assistant general counsel	3
Prepared statement of Mr. Wyant	27

MATERIAL SUBMITTED FOR THE RECORD

Written committee questions and their response:	
Chairman Dowdy to Veterans' Administration	87

THE VOCATIONAL REHABILITATION PROGRAM

WEDNESDAY, MAY 11, 1988

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2 p.m., in room 334, Cannon House Office Building, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Dowdy, Jontz, Evans, Kennedy, Smith of New Jersey, and Dornan.

OPENING STATEMENT OF CHAIRMAN DOWDY

Mr. DOWDY. The subcommittee will come to order. I want to welcome all of you to today's meeting of the Subcommittee on Education, Training and Employment.

This afternoon we are reviewing a very important program for service-connected disabled veterans, the Vocational Rehabilitation Program. The purpose of this program is to enable disabled veterans to become employable, to obtain and maintain suitable employment, and to achieve maximum independence in daily living.

Congress has long placed a high priority on vocational programs and services for those who have suffered disabilities while serving in our Armed Forces. Vocational rehabilitation services were provided as far back as 1917, when Congress enacted the War Risk Insurance Act. This legislation created a package of benefits for veterans of World War I which included vocational rehabilitation for service-disabled veterans.

World War II veterans were provided vocational rehabilitation under Public Law 16 of the 78th Congress. This program was later expanded to include veterans of the Korean conflict and veterans of the Vietnam era. Also included were peacetime veterans who suffered disabilities while on active duty in the military.

The Vocational Rehabilitation Program was essentially unchanged in structure until 1980, when Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980, was enacted. Title I of this act significantly broadened the scope of the program. Most importantly, Public Law 96-466 shifted the focus of chapter 31 from simple restoration of a veteran's employability to the next critical step—enabling and assisting a veteran to attain and maintain suitable employment.

We on the subcommittee are concerned that budget restraints may be having an adverse effect on the quality and timeliness of

vocational rehabilitation services provided to service-connected disabled veterans. We plan to explore this situation during today's hearing.

In his book, The Heart of Darkness, Joseph Conrad writes, "I don't like work; no man does. But I like what is in work—the chance to find yourself, your own reality, for yourself, not for others, what no other man can ever know." We have a clear responsibility to provide the assistance and support necessary for disabled veterans to achieve the level of satisfaction, self-esteem and self-knowledge which are the product of a job well done.

We have several witnesses with us today, but before we hear from our first panel, I want to yield to the ranking minority member of the subcommittee, my good friend from New Jersey, Chris Smith.

OPENING STATEMENT OF HON. CHRISTOPHER H. SMITH

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

First of all, I want to thank you for arranging this hearing today to review the chapter 31 VA Vocational Rehabilitation Program.

The problems identified by various veterans service organizations, VA employees, and vocational rehabilitation experts regarding VA vocational rehabilitation and counseling services are fairly consistent and similar. The groups contend, for example, that once a veteran applies for employment counseling with the VR&C, he or she must wait another three months before receiving an initial evaluation to determine if he or she is even entitled to services. If a veteran is eligible for employment counseling and training, there often is not a suitable job available for the disabled worker who has completed the training program. Further, once the job is secured, proper mechanisms to evaluate the veteran's progress and success are simply not in place.

Many of these problems can be attributed to inadequate staffing levels and inefficiencies within the system. As you know, Mr. Chairman, in our committee's fiscal year 1989 report to the Budget Committee, we recommended an additional 53 full-time employee equivalents for the VR&C program. This recommendation was prompted by data that revealed overwhelming caseloads for VR&C workers, and exceedingly long waiting periods for appointments and evaluations. With the addition of these FTEEs, it is the intention of our committee to improve the working conditions within the program and delivery of services to our Nation's veterans.

We are also receptive to the ideas of our witnesses to further improve the VR&C program. I appreciate the time that our witnesses have taken to come here today to testify, and I look forward to their testimonies this afternoon.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Smith.

I would also like to welcome our colleague from Indiana, Mr. Jontz. Jim?

Mr. JONTZ. Thank you, Mr. Chairman. I have no opening statement. I would like to associate myself with your remarks and the remarks of our ranking minority member, Chris Smith. I look forward to hearing the witnesses.

Mr. DOWDY. I would like to ask all our witnesses to limit their oral testimony to five minutes. Your entire written statements will be included in the hearing record. I request that, without objection, the hearing record be kept open for one week for any additional information that may be submitted.

Our first witness this afternoon is Dr. Dennis Wyant, who is Director of the Veterans' Administration's Vocational Rehabilitation and Education Service. Dr. Wyant is accompanied by Mr. James Reed, Assistant Director for Vocational Rehabilitation and Counseling Service, and Mr. Jim Kane, Assistant General Counsel. I want to welcome all of you and thank you very much for your attendance here today.

When you're seated, Dr. Wyant, we would ask that you begin.

STATEMENT OF DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION SERVICE, VETERANS' ADMINISTRATION; ACCOMPANIED BY JAMES REED, ASSISTANT DIRECTOR, VOCATIONAL REHABILITATION AND COUNSELING SERVICE; AND JAMES KANE, ASSISTANT GENERAL COUNSEL

Dr. WYANT. Thank you very much, Mr. Chairman. We did have a change, as you mentioned. Mr. Kane, on my right, is Assistant General Counsel, and Mr. Reed is here, who is Assistant Director for Vocational Rehabilitation.

Mr. Chairman, it is always a pleasure to appear before your subcommittee, and when we have an opportunity like this, it does give us a chance to think about the insight that this committee had and the Congress had when they passed Public Law 96-466, to give us the best vocational rehabilitation program in the world for disabled veterans.

Without objection, we would like to submit our written statement for the record, and I will give you a brief summary. When I say a brief summary, I guess that's a redundancy, but in Washington sometimes I know that's good news, if it's a brief summary.

Under Public Law 96-466, which has been enacted now for a little over seven years, we're seeing this program in place now. We have a staff of 577, which consists of 274 counseling psychologists, 150 vocational rehabilitation specialists, and 150 other specialists, such as psychometrists, who do the testing and help with other support services of the program, located in 58 regional offices and 44 outbased locations. Over a year's time, we do about 40,000 comprehensive new evaluations of disabled veterans.

I might point out that over the past three or four years this number has stayed fairly constant, and we kind of see this happening now as we enjoy this time of peace in our country.

Of those 40,000, each year we normally have around 24,000 to 25,000 service-connected participants in vocational training programs under chapter 31. This figure has also stayed consistent for the last three or four years.

In the area of employment services—this is once the person has completed the training program, and, as you mentioned in your opening statement, has an individual employment assistance plan—over the past four or five years, that number had been around 4,600, with 3,300 placed. You will notice in our testimony

this time that we talk about 3,500 or so in employment services, with 2,300 placed. The reason for that is that we did go to the field and we are asking our people to do the strictest interpretation of the law and the regulations to make sure that the person is actually in the type of work they were trained for. We may be shooting ourselves in the foot on this one, but we would be glad to discuss it in the questioning later on.

One of the other provisions of Public Law 96-466 is the independent living program. As we mentioned in our testimony, we have 19 participants in that program. That may be alarming to someone not working with our program, but we would like to explain. We work very closely with the Department of Medicine and Surgery. If we have a blinded veteran come into our program, we would not put him into an independent living program. We would send him to the Department of Medicine and Surgery's blind rehabilitation center. That would be a part of his medical treatment. The same would be true with the spinal cord injured veteran or other severe disabilities.

One of the other provisions of our program which does not involve chapter 31 is the pilot program under Public Law 98-543, which has to do with vocational training for pensioners and the pilot program on IL. Those reports have been written. They are outside of the VA now. They're in inter-agency concurrence and you will be receiving those reports in the very near future.

The other area that I might mention is our counseling that we provide to people in other education programs. We administer 11 different education programs. Of course, the one that is growing now, and the one that we hear the most about, is the Montgomery GI bill, by which this subcommittee, the full committee, and the Congress have given veterans a very good readjustment program. We provide counseling to those in chapters 30, 106, 32, 34, 35, 901, and 903, the Hostage Relief Act, as well as VJTA. Our counseling this year has been around 10,000 participants, down from 15,000 of two or three years ago.

You asked in your letter about quality and timeliness. We have tried to do a number of things in the area of quality. Our training manuals are 90 percent done. Last year we had six training conferences and trained every person in the field on our program.

We have some new measures in the area of timeliness that we're very proud of—the CAIS, the Computer-Assisted Information System—which not only does psychometrics on the computer, but also does some guidance information, functional abilities of individuals, as well as an employer job bank. We have tried very hard to cut out unnecessary management reports and burdensome activities so as to give our counselors more time for face-to-face contact with the veterans.

I have probably put most of my emphasis in the area of employment services. We have worked with small organizations—for example, the Callender Stationery Company in Columbia, MS, as small as that, to some as large as Lockheed in Seattle, WA, which has contractors and subcontractors probably in each of your congressional districts. The same way in the government, from the TVA to the Postal Service.

My light is on. I know you have a lot of questions today. I simply want to say it's a pleasure to be able to run the best rehabilitation program in the world that you have provided us, and we're ready to take your questions.

[The prepared statement of Dennis R. Wyant appears at p. 27.]

Mr. DOWDY. Thank you very much, Doctor.

In your prepared statement you state "Timeliness of rehabilitation service delivery is essential if disabled veterans are to be assisted when they are well-motivated to pursue the rehabilitation process." All of us would probably agree with that comment. Yet, VA data shows that veterans are in applicant status an average of 90 days and in employment status an average of 275 days. In spite of these lengthy delays in service delivery, the VA, or OMB, recommended that vocational rehabilitation personnel be reduced by 11 FTEEs.

What would be the effect of further staff reductions on service delivery time? And you also note that you expect improvement in timeliness of service because of the implementation of the Computer-Assisted Information System and the automated payment system. When will these initiatives be completed?

Dr. WYANT. There are a lot of questions there, Mr. Chairman.

As far as the computer-assisted information system is concerned, we do have that in 20 regional offices right now in 44 locations, and hopefully, towards the end of this fiscal year, or into the next fiscal year, we will be able to put that in the rest of the stations. That really provides a service to the veteran and will help us to get some of this applicant status down. We don't look at this as a real time saver that's going to take care of the whole thing. It will improve our timeliness and will improve service to the veterans.

We do expect our caseload to stay about the same, so a reduction of 10 or 11 FTEE would probably add two or three more days to the process.

Mr. DOWDY. Another witness later says in his written statement that the VA caseloads approach 200 clients. Can a vocational rehabilitation counselor with nearly 200 clients adequately serve each of these individuals?

Dr. WYANT. Mr. Chairman, certainly not each of those individuals. They have to be, I think, very resourceful. What they do is look for the problem cases and the ones who need the most attention and they have to devote their time to those. The individuals who are doing well in their program, they simply let them continue their progress.

Mr. DOWDY. A later witness also will talk about budget restraints, his fear that these restraints will result in more and more seriously disabled veterans being found infeasible for training. Data shows that in fiscal year 1986, 95 percent of veterans rated 100-percent disabled were found feasible for training, and through the first six months of this year, only 85 percent have been found feasible.

Why is this percentage apparently going down?

Dr. WYANT. I do not have an answer for that, Mr. Chairman. I would be glad to go back and do a spot-check study to see if we can see a trend there.

Jim, do you have any information on that?

Mr. REED. My only comment, sir, is that I think we're looking at a relatively short amount of time. It is possible that with the more severely disabled individuals, they're tougher to work with and they may not be given the full credit that they deserve.

Mr. DOWDY. The VA Inspector General recently criticized the VA's Vocational Rehabilitation Program, saying the program is not as good as the State-Federal program. What are the differences and similarities between the two programs, and what is your response to the IG's criticism?

Dr. WYANT. Mr. Chairman, I know you have to be out of here by 4:00 o'clock this afternoon. I'll try to be brief on this.

Actually, they're comparing apples and oranges. We told them this in our oral interviews. However, they went ahead and made this comparison.

With the State Vocational Rehabilitation Program, you're working with many cases who are developmentally disabled, whether it be mental retardation or other types of learning disabilities. The screening system that we have to get into the military system eliminates this type of individual. Probably in some of your hearings in the past you have heard that they have criticized the military system for not having more females in the system. Well, with the Federal-State system, they have a greater percentage of females in that system. The reason I say that is because one of their training categories is homemaker, and it's not a paid type of occupation, but they do consider the person rehabilitated if they complete that goal.

Again, in our program, as to medical-type services, if the person needs a hearing aid, or if they need some other type of rehabilitation equipment, that would simply be a small part of our program as provided by the Department of Medicine and Surgery. That can be considered a rehabilitation case in the Federal-State system.

Those are some of the big, major differences.

Mr. DOWDY. Let me direct your attention to the same IG report, which said that only about 1,300 of the 27,000 veterans who participated in the vocational rehabilitation program were rehabilitated. What response do you have to that statement?

Dr. WYANT. Again, Mr. Chairman, that's comparing apples and oranges, in that they're correct, that there are 27,000 people in the program. But those are people with IWRPs, Individual Written Rehabilitation Plans. Their goal at that point is to complete the rehabilitation plan.

Once a person has completed the plan, they then receive an individual employment assistance plan. As we say in our testimony, this year there are about 3,600 people with such plans, and about 2,600 go to work in a year's time. So they were really making a wrong comparison. As I told them, why didn't they compare it to the whole 27 million people in programs serviced by the Veterans' Administration. Those are just not good statistics and, in my opinion, should not have been used in their study.

Mr. DOWDY. My time is up, but I've got one other question.

We have been assured since 1983 by the VA that the payment system for chapter 31 subsistence allowance will be fully automated in the very near future. Tell us about the current system and

please explain the delays in automation and what the effect of this outdated system may be on service delivery.

Dr. WYANT. That's an excellent question, Mr. Chairman.

In 1983, about the time you said we did get phase I on, which was statistical, and the case management part of the TARGET system, once that was on, we did start working on the specifications that we need to install the payment system. In our own operation, I would say those now are pretty much complete.

I guess I was as much of the problem as I am the solution. When the new Montgomery GI Bill was passed, a lot of resources were aimed towards getting the new Montgomery GI Bill on our system. Now that we do have that system on, it is full speed again to put on this system. We will get it on, hopefully, in the next fiscal year, and that will solve some of the problems that I know you're thinking about as far as overpayments and delays in getting the veteran his check and giving us a manual audit system so that we can more accurately serve the disabled veteran. It's something we're very concerned about also, Mr. Chairman.

Mr. DOWDY. Mr. Smith.

Mr. SMITH of New Jersey. Thank you, Mr. Chairman. Dr. Wyant, thank you for your testimony and welcome again to the committee, as well as Mr. Reed and Mr. Kane.

On page 8 of your statement you are saying it takes 275 days for a veteran to get a suitable job after he or she has completed training. Is that person unemployed for that period of time normally?

Dr. WYANT. Mr. Smith, there are two things we should mention there. One is that that 275 days does include the first 90 days that they are working. So that does reduce it back to six months. There would be a good chance otherwise that they would be unemployed and seeking employment during that period of time. And they receive a two-month payment at the front end once they complete their training to help them during this transition period.

Mr. SMITH of New Jersey. One of the problems identified by the Employment Task Force was a lack of staff development in job placing skills. Would you tell us which skills are lacking and what is being done by the department to correct that?

Dr. WYANT. The Employment Task Force that you talk about is an initiative that we started this year to bring in some people from the field to identify—not the IG, not any other office, but our own—to identify what our problems are and how to solve them. This was one of the areas in which they felt that more hands-on training as far as employment services, is needed by our field staff.

Quite frankly, I think in the past we have had to spend so much time with the caseloads, that you all have talked about in getting the person through the training program, that it's been very hard to devote time then to give full attention towards employment services. We are trying to work out some ways that we can give some time to that.

We have dedicated two people on our staff, who used to be working in the Administrator's office on a national campaign for employment, and they're working strictly now in the area of disabled veterans. They have been working a lot with these staffs. As a matter of fact, in a six months period they brought in nearly all of the employment assistance plans and provided some guidelines to

the individuals in the field in the course of training to help them provide better employment services.

Mr. SMITH of New Jersey. Thank you.

Does the VA hire any of the veterans who have been through this program and what about the rest of the Federal Government?

Dr. WYANT. Yes, sir. The Federal Government probably is our best recruiting source for employment. Last year in the Federal Government, there were 4,300, 30 percent or higher disabled vets using this special hiring authority. I am also very proud to say that 1,300 of those were within the Veterans' Administration system. The Federal Government is one of our best sources to place qualified disabled veterans.

Mr. SMITH of New Jersey. What is the typical length of time that a disabled veteran actually is in training? Is it 275 days? Is that typical?

Dr. WYANT. No, that is for employment services. The actual training program—and I don't have it up to the minute now—but the last time I looked, a couple of years ago, about 25 months is the average length of a training program. That's as of a couple of years ago.

Mr. SMITH of New Jersey. Of your total caseload, how many are in institutions of higher learning and how many are in vocational training?

Dr. WYANT. It breaks down that about 60 percent are either in four-year schools or two-year schools, about 20-some percent in technical schools, and about 10 percent either in on-the-job training programs or nonpaid work experience or other types of programs.

Mr. SMITH of New Jersey. One of the recommendations that John Bollinger of the PVA will be making in his testimony later on is that there needs to be more coordination between the VR&C and the DM&S. Do you have any comments on that?

Dr. WYANT. I saw that in the PVA testimony. There can always be additional coordination. My personal opinion is that our coordination is better now than it has ever been. We do work with them. They were involved in all of our training conferences this last year. There are personal relationships, I think, from our chiefs in the field with the chiefs in the DM&S. I do know where the PVA is coming from on this. They hear the cases where something has dropped through the crack and we always need to improve in that area. But to me, it's not one of the biggest areas that needs fixing at this moment.

Mr. SMITH of New Jersey. One final question because I know my time is drawing to a close.

How many of your trainees have 10 percent, 20 percent, and 30 percent ratings? Would you break that down for us by category—if not here, at least provide it for the record.

Dr. WYANT. Yes, we would be glad to do that.

About 56 percent of those on the VA compensation rolls are 10 and 20 percent disabled vets. So I say that first. In our program, about 40 percent are 10 and 20 percent. So our field that we draw from is much smaller.

Now, if you want them from the other, I think Jim can rattle them off there real quickly, sir.

Mr. REED. Indeed, 46 percent of our applicants are rated 10 and 20 percent. As Dr. Wyant said, 56 percent of the total veteran population drawing disability compensation are similarly rated.

Running down for those veterans who establish eligibility for entitlement, starting with the 10 percenters—and this is fiscal year to date—59 percent for the 10 percenters, 64 percent for the 20, 72 percent for the 30, 72 percent for 40, 80 for 50, 87 for 60, 81 for 70, 70 for 80, 75 for 90, and 85 for 100 percent. Those are the proportion of veterans who establish eligibility entitlement with those disability ratings.

Mr. DOWDY. Thank you very much, Dr. Wyant. We have a vote on, and both Mr. Jontz and Mr. Kennedy have informed me that they have questions which may be submitted in writing. I have some other questions that I would like to ask on the chapter 31 program, about outreach and so forth, but we do have a vote. So we're going to stand in recess.

Thank you for your testimony. The balance of the questions to you will be submitted in writing.

Dr. WYANT. Thank you, Mr. Chairman. It's always a pleasure to appear before your committee and to run the best vocational rehabilitation program in the world. Thank you.

[Whereupon, the subcommittee was in recess.]

Mr. DOWDY. Our next witness is Dr. Brian T. McMahon, who is president of the American Rehabilitation and Counseling Association and executive director of the New Medico Rehabilitation Counseling Association. We look forward to your statement, Doctor. We felt it would be helpful to have some insight into vocational rehabilitation as it is carried out in the private sector. Thank you very much for being with us today.

STATEMENT OF BRIAN T. MC MAHON, EXECUTIVE DIRECTOR, NEW MEDICAL REHABILITATION CENTER OF WISCONSIN, AND PRESIDENT, AMERICAN REHABILITATION COUNSELING ASSOCIATION

Dr. MCMAHON. Thank you, Mr. Chairman, and members of the subcommittee. Good afternoon, and thank you for inviting me here to share these thoughts with you about private sector rehabilitation.

My name is Dr. McMahon. I am a psychologist and a rehabilitation counselor by training. I am president of the American Rehabilitation Counseling Association and I am a developer and manager of rehabilitation programs for the New Medico head injury system.

I have submitted a written report for your review and I will try to make my remarks brief and as complementary as possible to what you have in the report.

As a rehabilitation professional, I certainly appreciate your sustained interest in and commitment to the provision of quality rehabilitation services to disabled veterans. We in the rehabilitation counseling profession are very proud of the fine work that is done by the VA Division of Vocational Rehabilitation and Counseling. We do regard it is an exemplary system and use it as a model pro-

gram in our training of young rehabilitation counselors at the graduate level.

I heard your questions of Dr. Wyant earlier about some of the distinctions between the State/Federal program and the VA program. I am less conversant with those, but I am very, very aware of the differences between both government programs and what we do in the private sector.

Basically, the critical characteristics or, in my opinion, correlates of success of insurance rehabilitation, include the fact that there is a great deal of consumer choice among programs and services. There are better than 8,000 private providers of vocational rehabilitation services in this country. All of this is insurance driven, usually by worker compensation insurance, auto liability, long-term disability structured settlements, and, in some cases, group health and accident insurance. But consumer choice certainly is a major factor in our rehabilitation world, as is quality control and adherence to the standards of the Commission on Accreditation of Rehabilitation Facilities, the Joint Commission on Accreditation of Hospitals, the standards of various consumer groups such as the National Head Injury Foundation, the quality assurance standards of service providers themselves, and various State and local regulatory bodies. So consumer choice, quality control, and last but not least, competition, are among the reasons for our success in the private sector.

I made some reference in my report to the highly competitive nature of the insurance rehabilitation industry, particularly manifested in various marketing practices. I think things in government programs you would refer to this as a case finding, or outreach, or public and professional education, or advocacy, we generally handle under the rubric of marketing. But when you look at those activities closely, they are very much the same.

More specifically, private sector rehabilitation is driven by cost effectiveness and the timely realization of a reasonable, functional outcome. We are interested in getting our residents or clients back to work. There is a very strong placement orientation. There is less concern in the private sector with what you might call "quality" job placement, or maximizing the disabled person's level of recovery in terms of level of employment achieved; there is much more concern with getting them "a" job as opposed to an "ideal" job, or one that maximizes their vocational potential, again because the private sector is insurance driven and cost effectiveness is a very key concern. So in private sector rehabilitation, we very much put our eggs in the job placement basket and that is a very, very strong emphasis in our programs and services as opposed to evaluation or counseling or training. The return-to-work hierarchy which I include in my report is a reflection of this emphasis.

Next, we are very concerned about early intervention. The time lines that veterans remain waiting, from the time they file an application to basically the time they have an intake, is quite regrettable from our perspective. I think I use some comparisons to show you that in my company, for example, it is very rare that more than three business days would elapse from the time that a person expressed a cursory inquiry in our services to the time they would find themselves admitted in one of our facilities. There's quite a bit

of contrast here. We think the relationship of early intervention to successful outcome in vocational rehabilitation is extremely high and that the alternative is a significant waste of economic resources and human potential. So we have a great deal of research and other anecdotal evidence that supports this notion that the longer people are out of work, the more difficult it is to rehabilitate them, regardless of the rehabilitation effort put forth.

Next is the notion of qualified personnel. I think the VA is moving ahead much more so, I would say, than the State/Federal program in terms of its support and endorsement of credentials, such as the certified rehabilitation counselor credential. The American Rehabilitation Counseling Association strongly endorses this concept and applauds the VA for its progress in this area. I do want to forecast that there will very definitely be a dramatic labor market shortage of qualified rehabilitation professionals. There already is, and this will continue well into the nineties because rehabilitation happens to be, for various market considerations such as DRG exemption, the fastest growing area of health care. We are not beginning to meet the demand for qualified rehabilitation professionals with the existing numbers of certified rehabilitation counselors.

The next point in my report is the matter of caseload sizes. When I hear numbers about caseloads approaching 200, I just don't know how we can be serious at all in talking about adequate, much less quality, vocational rehabilitation services, regardless of what the capabilities of the specific professional might be. When we have caseloads like this, it reflects a basic misunderstanding of how tremendously difficult and ambitious the job vocational rehabilitation is for severely disabled persons.

We are not concerned with simply giving somebody a skill proficiency—that's relatively easy—but with improving their quality of work, rate of work, endurance—the ability to do the work eight hours a day and five days a week—looking at motivational issues, and looking at work adaptive behaviors. These are those behaviors not necessarily related to doing the work itself, but equally important, or more important, in obtaining and maintaining employment—things such as punctuality, attendance, hygiene, grooming, and getting along with co-workers. These are the reasons that people lose work—75 percent of all people who lose work do so in the first 90 days of employment, and 75 percent of those for the same reason; that is, they can't get along with co-workers.

But when you're dealing with a myriad of factors such as this on any individual case, to think about caseload sizes in the hundreds is very surprising and very regrettable from our perspective. It's simply too large. I do make some very honest and candid comparisons about caseload sizes in the private sector, that tend to vary from eight or ten cases per case manager in my particular company, to 20 to 25 on a national average.

Finally, we do think that it is somewhat regrettable that exigencies exist in the Veterans' Administration which prevent the VA from contracting with private providers of vocational rehabilitation services, if the issues really are ones of quality and timeliness. We have a lot to learn from each other and a lot of offer each other. It would be our strong preference that we could do something about

those guidelines or restrictions which limit us from working together to better serving the disabled veteran.

Again, on balance we think the VA has a very high quality system. We think it is headed in the right direction. We do think there are some areas of difference between the VA system and the private sector system, and perhaps to the extent the VA system could be modified to incorporate some of these principles that we adhere to in the private sector, quality and timeliness might be enhanced.

That concludes my remarks. I certainly welcome questions or comments.

[The prepared statement of Brian T. McMahon appears at p. 37.]

Mr. DOWDY. Doctor, in your position as a professional familiar with the VA Vocational Rehabilitation Program, yet not being in that system, what do you think is the biggest problem that we have in the VA system today?

Dr. MCMAHON. I would say far and away the biggest problem is the matter of caseload size. These numbers of 150 and approaching 200 and getting larger, it is simply unrealistic to talk about meaningful vocational rehabilitation services being provided on that scale.

Mr. DOWDY. Keeping in mind the budget constraints under which most government programs now function, are there techniques, attitudes or approaches utilized in private sector rehabilitation which could be adopted by the VA which in your opinion would improve the VA system?

Dr. MCMAHON. I think there are. I think many of those are in place. I think the training emphasis, particularly the job placement training emphasis that is being introduced, will be very helpful. I also think—and I understand it is a budgetary matter—but more counselors are clearly needed so that caseload sizes can be reduced. I also think, to the extent one can automate the case management system and get the computerized management information system in place quickly, and debug it and get it working effectively, this also would be extremely helpful.

There is also the potential, if not to hire more professionals, to use carefully trained and closely supervised paraprofessionals to do some of the less professional aspects of case management, such as certain test administration, psychometrics, or select job development procedures. Contracting with private vendors is yet another option.

The other notion is this: We will always get more success if we spend less time—and I think we learned this in the private sector first—trying to fit people to jobs and more time trying to fit jobs to people. That is to say, if we would rely more on job modification, job restructuring, job engineering, and using alternative schedules of work, we know that we can get better, faster, and less expensive placement results. Again, that's a matter of emphasized job placement orientation. Those would be some suggestions I might have.

Mr. DOWDY. You mentioned in your testimony that insurance rehabilitation emphasizes early intervention. We know that veterans often have to wait as much as 90 days before their first interview.

What is the effect of this delay on our disabled veterans? Do you assume some get discouraged and give up, thus losing the opportunity for rehabilitation?

Dr. McMAHON. Certainly the effects are twofold. One, there is a decrease in the applicant's level of motivation. They come to the conclusion, and rather quickly, that nobody is listening, nobody is caring, that the system is unresponsive, and so the motivation and morale of the applicant suffers.

Secondly—and this is much more dangerous, I think—there is the habituation of what we would call illness behavior; that is, the longer a disabled individual sits at home waiting for the phone to ring for their appointment, the more attached they get to things like "soap operas" or long periods of rest in the morning; the more things seem to hurt the more psychosomatic problems set in; the more pain is experienced; the less satisfaction a person has with their medical rehabilitation; and complaints ensue.

One embarks on an entirely new career, and that career we call the career of being disabled. That behavior we call "illness behavior", and it is very much a career into itself. Once you have learned and mastered that career, the process of vocational reentry into competitive employment becomes considerably more difficult. So again, it's not a magic number, but it is our experience in worker compensation, that if an individual finds himself, regardless of the level or severity of the disability, unemployed for a period of two years, you have about a five percent chance of returning that person to work, regardless of the vocational rehabilitation investment. Hence, the importance of early intervention. The sooner the better. It's never too soon.

You would be very surprised to learn, I think—and you might find it amusing—that there are certain kinds of vocational rehabilitation work we do in head injury rehabilitation with coma patients, in the form of taking extensive vocational histories and ascertaining what they were doing before the traumatic brain injury. So all that work is done when they come out of a coma. That, I think, is maybe an extreme case of what we mean by early intervention.

Mr. DOWDY. Thank you very much, Doctor.

In the absence of Mr. Smith, the ranking minority member, does counsel, Mr. Wilson, have any questions of this witness?

Mr. WILSON. No, sir, except to thank him.

Mr. DOWDY. Thank you very much, Doctor, for your appearance and assistance.

Dr. McMAHON. Thank you.

Mr. DOWDY. Next we're going to hear from a panel representing the veterans' organizations. Our witnesses are Mr. Dennis Cullinan of the VFW, Sam Walsh, accompanied by Mr. Phil Wilkerson, of the American Legion; Mr. Ron Drach of the DAV; Col. Herbert Rosenbleeth, the Jewish War Veterans; and Mr. John Bollinger, Paralyzed Veterans of America.

We are happy to have all of you with us this afternoon. We will begin with Mr. Dennis Cullinan.

86-017 O - 88 - 2

STATEMENT OF DENNIS M. CULLINAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. CULLINAN. Thank you, Mr. Chairman.

On behalf of the Veterans of Foreign Wars, I would like to thank you for this opportunity to present our views regarding the effectiveness of the VA's improved vocational rehabilitation program.

According to a VFW survey, our department service officers are virtually unanimous in agreeing that the program is working well. On the survey, many commented that DVB is bending over backwards to accommodate veterans. Further, it was reported that many stations were aggressively conducting vocational rehabilitation outreach. However, concern was expressed that older veterans are perhaps being overlooked. We do, furthermore, recognize other problem areas.

There is unanimity in the assessment that the greatest single problem facing the VA Vocational Rehabilitation Program is a shortage of staff. It has been noted by our department service officers that delayed rating and/or application decisions cause veterans to miss course and program opening dates. There have been reports of lengthy approval times due to delays getting the application through adjudication. Furthermore, counseling is often not available on a timely basis in certain areas due to staff shortages. Thus, the greatest problems we have found with the program lies not with the involved staff but, rather, with their lack of numbers. Staffing should be increased.

Even so, the VA's Vocational Rehabilitation Program has, in our view, been well managed and has accomplished much toward assisting service-connected disabled veterans lead meaningful and productive lives. We have found VA personnel extremely competent in the counseling of psychological aspects of the program, but the handling of the multiplicity of employment-related aspects, as called for in the provisions of Public Law 96-466, could well stand some fine tuning.

The staff of the Vocational Rehabilitation Department has been shrinking since 1982. With this reduction has come an increased caseload for the vocational rehabilitation specialists now averaging approximately 190 cases per specialist. We believe the optimum caseload to be about 100 per specialist. Additionally, the waiting period has increased from 77 days to a totally unacceptable 95 days.

As with any large program, there is a problem with training. The vocational rehabilitation specialist at the local level has not received adequate training in the employment arena, nor has he received the appropriate guidance to clarify individual eligibility.

Another problem limiting the effectiveness of the VA's Vocational Rehabilitation Program is the fact that many disabled veterans are not aware of their eligibility under chapter 31. Apparently, members of the Armed Forces who are placed on the temporary disablity retired list are not notified of their eligibility for vocational rehabilitation unless they file for VA benefits. It is our view that these individuals should be informed about their eligibility, and that this could be best accomplished by the Physical Examination

Board Liaison Officer, also known as the PEBLO. This is, in our view, an important aspect of the Armed Forces transition management program which is now under development.

Transition management is going to be increasingly important in the upcoming years. Statistical data projects large increases in the number of disability discharges. It has been estimated that disability discharges would be in the range of 22,000 per year throughout the Armed Forces over the next five years.

We are shocked that necessary information about VA's Vocational Rehabilitation Program is not being provided to disabled veterans discharged from military hospitals or administrative holding companies. Obviously, the goal of transition management should be to assist veterans and disabled veterans effect a satisfactory transition into civilian life. To do the job it must provide these individuals with the information about their eligibility for vocational rehabilitation and education. It is also obvious to us that the already understaffed VA Vocational Rehabilitation Program will be absolutely crippled unless additional staffing is provided as the demands on the program grow.

Another shortcoming, a veteran in the Vocational Rehabilitation Program cannot be adequately tracked through the existing system. The program is relying on 1958 keypunch technology which is not sufficient to adequately address the complex and fast-changing modern employment market. There is a real need for this program to update its technology.

In summary, Mr. Chairman, much has been accomplished toward affording service-connected disabled veterans the opportunity to find and retain meaningful employment. Still, much remains to be done, and I thank you for asking for our views.

[The prepared statement of Dennis M. Cullinan appears at p. 44.]

Mr. DOWDY. Thank you very much.

Mr. Walsh.

STATEMENT OF SAMUEL J. WALSH, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; ACCOMPANIED BY PHILIP R. WILKERSON, ASSISTANT DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION

Mr. WALSH. Yes, sir. Mr. Wilkerson will present our testimony.

Mr. DOWDY. All right, Mr. Wilkerson.

Mr. WILKERSON. Thank you, Mr. Chairman. The American Legion appreciates the opportunity to present its views on the current status of the VA's Program on Vocational Rehabilitation for service-connected disabled veterans under chapter 31, and the agency's efforts towards implementing the improvements in benefits and services authorized under the Veterans Rehabilitation and Education Amendments of 1980.

Public Law 96-466 represented a historic revision of the program. The VA's mission became one of providing all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the extent feasible, to become employable and to obtain and maintain suitable employment.

This subcommittee, in July of 1983, reviewed the VA's efforts toward implementing the many changes in the operation and administration of the Vocational Rehabilitation Program mandated by this legislation.

Concerning the current review of the program, then, as now, the Legion's assistance to service-disabled veterans with their vocational rehabilitation claims has not involved a large number of complaints. However, based on information contained in various VA reports, including that of the Inspector General in his report of March of this year, there are a number of issues of particular concern which we feel merit this subcommittee's attention.

With respect to timeliness and quality in the services provided disabled veterans, the overall workload of the VR&C Service has remained at fairly high levels in recent years, according to the VA. Staffing for fiscal year 1988 is estimated to be 661 FTEE. However, the budget request for fiscal year 1989 called for a decrease of 11 FTEE, down to 650. The budget message for Fiscal year 1989 states that "the requested FTEE level will provide continued good service to our veterans".

Mr. Chairman, from a review of the workload data, the American Legion believes that disabled veterans are not receiving good service under present conditions. The rise in the overall number of veterans availing themselves of chapter 31 services in the period 1985–1987 has resulted in substantial increases in the number of days required to complete the various steps in the vocational rehabilitation process. Initial application processing has gone from 78 days in 1985 to 90 days in 1987. The evaluation and planning step which required 45 days in 1985 was up to 58 days in 1987. Extended evaluation for severely disabled veterans went from 154 to 182 days in this period. The period of rehabilitation to employability overall was 345 days in 1985, and in 1987 it was 454 days, an increase of almost 100 days.

In the same period there was a corresponding increase in the number of cases for which an individual vocational rehabilitation counseling specialist was responsible. This went from 170 cases in fiscal year 1986 to 181 cases in fiscal year 1987. In our judgment, the personnel resources of the Vocational Rehabilitation and Counseling Service have been stretched to the limit. The quality of service provided disabled veterans cannot help but be adversely affected.

The issue of the quality of certain actions of the VR&C Service was the subject of a report by the VA's Inspector General in March of 1988. The IG reported that in the cases sampled, a high proportion did not need the vocational rehabilitation provided. The IG estimated that for the Vocational Rehabilitation Program as a whole, about $45 million was spent for unneeded or inappropriate training. In addition, the IG concluded that only about six percent of the 27,000 disabled veterans who annually received vocational training or services were rehabilitated, versus the VA's reported success rate of 12.6 percent.

In the area of employment services, many veterans were not provided assistance in obtaining employment as required under the law. The IG concluded that the VA personnel failed to identify the factors contributing to the relatively low rate of success of veterans

in the program. There was reportedly an overall lack of internal controls necessary to effectively monitor the program results and cost effectiveness.

The Chief Benefits Director, in responding to the IG's report, concurred with most all of the recommendations for changes in various administrative and operational procedures. However, there was considerable disagreement with the statistics and the audit staff's interpretation of the laws, regulations, and program policy as contained in the report.

In our estimation, even if many of the findings cited by the IG are only partially substantiated, there is a critical need to improve the efficiency and effectiveness of the management of the program both with respect to its goals and fiscal integrity. It is unfortunate the IG failed to address the impact that staffing and caseload levels in the VR&C Service has had in the loss of quality control described and the lack of necessary employment and post-employment services. The American Legion recommends this subcommittee undertake a further review of the Vocational Rehabilitation Program and the agency's continued efforts to implement the IG's recommendations within the next 12 to 18 months.

Mr. Chairman, this concludes our statement.

[The prepared statement of the American Legion appears on p. 47.]

Mr. DOWDY. Thank you very much, Mr. Wilkerson.

Next is Col. Herbert Rosenbleeth of the Jewish War Veterans.

STATEMENT OF COL. HERBERT ROSENBLEETH, NATIONAL LEGISLATIVE DIRECTOR, JEWISH WAR VETERANS OF THE UNITED STATES

Colonel ROSENBLEETH. Chairman Dowdy and members of the subcommittee, I thank you for the opportunity to appear for the first time before this committee, and especially today. I say that because I think disabled veterans and the Jewish War Veterans are my main concern. I also think that, having heard the two, very well-written statements, that I'm going to fold my written statement and just make a couple of oral comments from the heart for you.

In my research to prepare the testimony, I came to the clear conclusion that the rehabilitation program, the counseling, and the relationship with employers has been downhill. That is not to reflect unfavorably with the personnel in the Veterans' Administration; it reflects a lack of adequate numbers of personnel. I also feel that apparently there have been retirements of some senior and more experienced personnel in the Veterans' Administration, so we have not only a quantitative shortfall but a qualitative or experience factor shortfall.

It was also emphasized to me that once the rehabilitation is completed, the step to get the veteran and the employer together has fallen off. The employers are leery about hiring a disabled person. They're leery because they don't know what the laws are and generally would rather not get involved.

The disabled individual does not know how to go about obtaining employment. I think it's difficult anyway, but for a disabled person, it's extremely difficult. The VA is supposed to provide the link be-

tween the disabled veteran and the employer, neither of whom know how to get together. I think that this part of the program is significantly lacking and needs substantial improvement. Somebody has got to take the time, and somebody with the skills has to do the leg work to bring the veteran and the employer together.

In summary, I think that the legislation is sound. I don't find anything needs improvement in the public law passed in 1980. It provides, as it should, for the rehabilitation and return to a normal worklife of the individual as much as possible. What we ask for is that, in some way, the Veterans' Administration obtain the personnel, both in quantity and quality, that they need to carry out this important task.

I appreciate being able to appear before you today and I thank you very much.

[The prepared statement of Col. Herbert Rosenbleeth appears at p. 55.]

Mr. DOWDY. Thank you very much, Colonel.

Next is Mr. Ron Drach of the DAV.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you very much, Mr. Chairman. I, too, am pleased to be before you today to discuss the Vocational Rehabilitation Program under chapter 31. Before I do that, however, I would like to compliment you and Mr. Smith particularly for your work and your support on the recent passage of S. 999. As you know, it has passed both Houses now and I think it's at the White House, and I hope the President will sign it soon.

I think, at least in our opinion, that this new legislation will be widely accepted as the major piece of employment service legislation to be enacted since Public Law 92-540 in 1972. I look forward to reporting back to you at some later date as to the successful implementation of some of those provisions.

I also want to comment just briefly on one of the questions you asked Dr. Wyant about the major differences between the State Vocational Rehabilitation System and the VA Vocational Rehabilitation System. One of the things that he failed to mention is the fact that the VA system is an entitlement program and the State system is not. They pick and choose who they serve and, by virtue of doing that, they can obviously pick people that are easier to rehabilitate. Therefore, they can rehabilitate at a much more successful ratio.

I also finished up recently a year of serving on the Disability Advisory Council of the Social Security Administration. The more severely disabled people under the Social Security Disability Program who get referred to State vocational rehabilitation generally are not served by State vocational rehabilitation—for many reasons, which I don't have time to get into today. So there are many other differences that Dr. Wyant did not have an opportunity to mention and they need looking into.

We, too, are basically pleased with the congressional intent of Public Law 96-466, and with just some minor recommendations that I will get into later, we think the legislation is sound as it is.

It is more, I think, in terms of how it's being carried out and, again, the numbers of staffing that has been mentioned, which I am not going to repeat, has been one of the major problems.

Basically, it is very inadvisable to increase work loads, increase eligibility, increase people that are entitled to services, and then turn around the cut the budget and cut the FTE for people to carry out those services. That's what we have seen over the last eight years in the current administration and that's exactly what has happened.

The IG study that was mentioned a couple of times, and there was some questions, I'm not going to talk too much about the IG study other than to offer an opinion, that I think the IG study was designed to save money, not to save people. I think we need to look at another study that has been submitted to Dr. Wyant, and that was through an employment services task group that was set up in Dr. Wyant's office to look at the vocational rehabilitation program.

There were three field staff people involved in this, as well as several national staff, and they met on at least two occasions at Central Office and had several telephone conference calls. They identified 36 problems that impact on the delivery of employment services, and in that identification they also offered recommendations, some of which were idealistic but, nonetheless, I think they should be looked at very closely.

I would like to mention just a couple of them. But before I do that, I chair the Administrator's Advisory Committee on Rehabilitation and I was asked to do so about two years ago. I'm going to ask the Advisory Committee to look at this task group report with a view toward adopting their recommendations, if advisable, and then submit our recommendations to the Administrator also.

I would also like to point out that several years ago, shortly after I took over as chairman, we requested a cost-benefit study by the Office of Program Analysis and Evaluation. That request is probably about three years old now and I understand it's still in the General Counsel's office in terms of whether or not the study is going to be pursued. Perhaps your good office might be helpful to us to try to get that study off the dime and get moving.

One of the things that the task group looked at was the lack of motivation for veterans to work, as well as certain disincentives to employment. They identified the lack of support for employment services on the part of the vocational rehabilitation and counseling officer. They identified the lack of training for the professional staff as being a problem. We believe that in-depth training, similar to that currently being provided to DVOPs and LVERs through the National Veterans Training Institute, which as you know now is in there by law, needs to be implemented for the VR&C staff. Whether or not NVTI would be the proper forum, I'm not really sure at the present time. But I think the Administration needs to take a look at that to see if that is feasible.

We also took a look at the chapter 15 program and the certain pensioners that are mandated to be served under vocational rehabilitation. We testified a couple of weeks ago and said we would not object to extending that program, provided it did not impact adversely on the service-connected program.

There is some evidence, I think, that shows that, indeed, this pension program has impacted adversely on the service-connected. I think, rather than put these two programs in competition, we need to really ask the basic question: Do we have enough resources and enough money to serve both groups under both programs. That's what we really need to do. We don't question the intent of that program; only the intent of the administration to support those types of programs.

With that, I see the light is on, and I will conclude and say I would be happy to answer any questions you may have.

[The prepared statement of Ronald W. Drach appears at p. 57.]

Mr. DOWDY. Thank you very much.

Mr. John Bollinger of the Paralyzed Veterans of America.

STATEMENT OF JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. BOLLINGER. Chairman Dowdy, thank you very much for inviting us here today. On behalf of the members of PVA, I thank you for conducting what we think is a very important oversight hearing.

I would like to preface my remarks by expressing my organization's sincere appreciation for your efforts on behalf of those individuals who have participated in the vocational rehabilitation program. We specifically compliment you for your continued concern regarding the well-being of the chapter 31 program and your efforts to examine and evaluate the manner in which chapter 31 benefits are administered.

I think there are several major concerns that affect the ultimate ability of the vocational rehabilitation staff to fulfill its mission. The most significant of these factors are, once again, the administration's proposed budget cuts, employee training programs, as was mentioned earlier, the interaction between DVB and DM&S, and the vocational rehabilitation program for nonservice-connected pensioners. These four components and management's ability to adequately control and influence the course of each will determine the degree to which VR&E's mission succeeds.

Since 1980, the Department of Veterans Benefits has suffered staffing reductions amounting to 4,469 staff years. The vocational rehabilitation and education service reflects this unfortunate decline. Even a cursory review of the statistics illustrates the unmanageable situation VR&E finds itself in today. Full time field staff have been reduced from 598 employees in 1984 to 563 in 1987. The average caseload for a VA counselor is now 200 cases, and from what we understand, that compares to between 15 and 20 for their counterpart in the private sector. As a result, a disabled veteran must wait about 90 days between the time he files his first application until the time he sits down with a counselor.

In addition, when the Vocational Rehabilitation Program for nonservice-connected pensioners is gathering speed, the administration has proposed yet another staffing reduction in fiscal year 1989 by eliminating 11 more desperately needed personnel in the VR&E staff. We applaud your efforts here to restore these desperately needed personnel to VR&E.

In addition to the ripple effect that staffing reductions have had on DVB and VR&E, the present TARGET system that Dr. Wyant's staff must work with is totally inadequate to accomplish the needs of a sophisticated rehabilitation program in the eighties and nineties. DVB's need to modernize in order to improve services to veterans, while reducing costs, is unparalleled in recent history. We urge very strongly that the modernization effort in DVB information systems be given the very highest priority.

We are also concerned about VR&E's ability to interact with the VA medical centers. The chapter 31 program and the Vocatior al Rehabilitation for Pensioners program are getting very little attention, very little emphasis, by the medical centers. Directors must choose between an acute care ward that is short of nurses and a potentially long-range evaluaton/rehabilitation program for a disabled veteran who is trying desperately to become employable.

Chairman Dowdy, PVA has a membership of approximately 15,000 catastrophically disabled veterans. We're very concerned that the low priority given chapter 31 cases by VA medical centers will result in an ever-increasing number of seriously disabled veterans being found to be infeasible for training. In terms of time and resources, it is significantly easier to fully rehabilitate an individual who is 20 or 30 percent disabled than one who is rated 100-percent disabled. When budgets are low this is a tempting way to go.

In summary, the Vocational Rehabilitation and Education Service desperately needs this subcommittee and the Congress to restore vital personnel lost to administration budget cuts. They desperately need a modern ADP system and proper training programs. And finally, the Administrator must take action to enable this benefit program to be delivered by a cohesive and united team, consisting of personnel from both VR&E and DM&S. That is a team that can prioritize vocational rehabilitation within the spectrum of all benefits programs and medical activities. Only then does the vocational rehabilitation program stand a chance of achieving the standards that were envisioned by Congress in 1980.

Thank you, Mr. Chairman.

[The prepared statement of John C. Bollinger appears at p. 70.]

Mr. DOWDY. I thank all of you very much.

Let me ask a question, if you would respond in the order in which you testified today. I would like to know what each of you considers to be the biggest problem facing the VA Vocational Rehabilitation Program. I would like to have your response to this question. Do the VA, in your opinion, do an adequate outreach for disabled veterans? Does the VA inform them of benefits available to them under the vocational rehabilitation program? Then the third area I would ask your comments on, does the VA and Department of Labor work closely enough together to ensure that veterans completing chapter 31 training are placed in good jobs? Does this close relationship exist between the VA and the Department of Labor?

So, on those areas, would any of you care to comment, starting with Mr. Cullinan.

Mr. CULLINAN. To answer the first part of the question, as was indicated in our statement, the greatest problem they have at this point in time is proposed reductions in budget and staffing. We rec-

ognize that as being the greatest impairment to their operation at this time.

With respect to outreach, as I also mentioned, they are doing a better job in that regard. However, it is within the parameters of limited staffing, limited time, so that, too, could be improved with an increase in personnel.

It is our understanding at this time that VA and the Department of Labor are attempting to do a better job of working together and tracking people as they move through the system. But given the extreme limitations of their ADP system, that's really not up to par. It's not where it should be at this point in time.

Mr. WILKERSON. Mr. Chairman, we would be glad to comment.

I think the conclusion of our organization is that the staffing, by and large, is the root cause of the inability to fully implement the provisions of the 1980 law. It is just a physical impossibility, given the number of people that they are, in fact, responsible for. That is determined by the budget. The whole problem of the Department of Veterans Benefits I think has to be addressed through more adequate budgetary support.

With regards to outreach, I'm not aware of any particular problems in that area. I think they have done a pretty good job. Certainly more could be done in coordination with other C&P activities, medical centers, as well as through probably the Department of Defense, in funneling veterans with disabilities through counseling at the time of discharge with respect to their overall entitlement of veterans benefits.

The relationship with the Department of Labor I think is very good, at the policy making level. The problem of their assistance seems to be a hit or miss type of proposition with the average veteran in the chapter 31 program to receive the full benefits of the employment assistance that would be available through the Department of Labor offices.

We might offer the suggestion that perhaps some formal arrangements might be made to actively involve or require a veteran to go through a local Department of Labor office, even though it might not be located in the same city where the VA regional office is or where the veteran is undergoing counseling. This certainly should be, I think, one of the stops very early in their program, to make sure that their program ultimately is designed to achieve a realistic goal. The Department of Labor people likewise, as the program is completing, can counsel a veteran as to where suitable employment might be obtained. I think this is a resource that is not readily available to the VA counselors. I think some more form of arrangement should perhaps be looked at.

Colonel ROSENBLEETH. I think the biggest problem, I agree, is the staffing. I guess it's because vocational rehabilitation is a very time-consuming process, I think more than perhaps I had any idea of when I started looking into this. The counselor has got to get—It can't be done behind a desk. He has got to get out and talk to employers. He has got to authorize and pay for tuition for education. He has got to make visits to rehabilitation sites. He has to be available for additional duties from the Department of Medicine and Surgery. So the fact that they are short in numbers, and the fact

that it's a very time-consuming type of job, seems to be the biggest problem.

I don't have a comment on the outreach or the relationship with the Department of Labor.

Mr. DRACH. Mr. Chairman, I would not disagree with the work load staffing issue, but as you mentioned earlier, we're in tight budgetary times and it may not be realistic to think that we can increase that. So I think, in concert with looking at staffing levels, we need to take a hard look at the 36 problems identified by the field staff and take a look at their possible solutions to see how many of those can be implemented administratively with little or no cost. I think we may be able to help solve some of the problems by doing that.

In terms of outreach, one of the most recent activities that took place, which I think is very commendable, about a year or so ago when VTJA eligibility ran out, Dr. Wyant's office sent out a letter to around 50,000 disabled vets who were certified eligible for VJTA, reminding them of potential eligibility under vocational rehabilitation. I'm not sure what kind of response he had to that, but I know that a lot of disabled vets came in looking for potential vocational rehabilitation as an alternative to VJTA.

I also think that Dr. McMahon's comments are very, very appropriate, in terms of the people who have become addicted to the soap operas because they've been out of the work force so long. I don't know how we get those people back in. It's going to take more than just letters encouraging them. We need to do more in-depth outreach in that area.

The VA and DOL, I don't think any of the agencies work well together, I don't care whether it's the VA and HHS or VA and DOL or DVB and DM&S. If DVB and DM&S can't work together, then how can we expect VA and DOL to work together.

There are some attempts being made to do more. I guess you can go out and find in one area where they're working very, very well together, and go out in other areas where there's no cooperation at all. So I think more could be done in that area, not only at the national level but at the local level, to make sure the VA is utilizing the DVOP's expertise and the LVER's expertise.

Mr. BOLLINGER. Let me just start out by saying I agree 100 percent with you regarding relationships between two agencies. It is hard enough for DVB and DM&S to work together, much less the VA and DOD or VA and Department of Labor. So any efforts to make that a positive program would be greatly appreciated by all those involved.

I will fall in line and also say that staffing reductions are, of course, of prime importance. A very close second to that would be Vocational Rehabilitation and Education Services' need to modernize, and this applies to the Department of Veterans Benefits as a whole. I think up to this point that effort has been lacking. I think with the new leadership in DVB ADP over there, that we are encouraged and hope that they can make positive steps.

As far as the outreach efforts, I would merely re-emphasize my statements earlier, that VR&E and the VA medical personnel have got to work together as a team and in some way be able to priori-

tize the need of chapter 31 and the NSC pension program regardless of what a hospital director may have to say about it.

That's all I have to say.

Mr. DOWDY. I thank all of you very much.

Mr. Smith is not here, so I will ask counsel on the minority side, Mr. Wilson, if he has questions.

Mr. WILSON. Thank you, Mr. Chairman.

Mr. Cullinan, you mentioned the caseload of the people in VR&E, vocational counseling. Is that caseload solely concerned with chapter 31, or does it also include the other people that they counsel?

Mr. CULLINAN. The information I have indicates that it pertained to VR&E. I would have to double check.

Mr. WILSON. You know, they counsel veterans who are disabled; they counsel people in the labor market; they counsel people in chapter 34; and they also counsel the various dependents. I just wonder what the mix of that load is.

Mr. CULLINAN. The information was given in the context of the VR&E setting. I would have to verify that that's the only group we're talking about. There is a possibility that there would be some of the other people in other chapters and other areas included in that 190 figure.

Mr. WILSON. Mr. Drach, you mentioned the Employment Services Task Force. Would it be premature to have that report released to the committee?

Mr. DRACH. I am not at liberty to say. It's an internal report and Dr. Wyant's office has it. I guess you would have to ask him.

Mr. WILSON. I think all of you heard Dr. Wyant testify about the 10 and 20 percenters. I think all of you know the eligibility for the 10 and 20 percenters.

In the opinion of each of you, have you had any kind of indication that people have been put into the program who perhaps should not have been put in?

Mr. DRACH. If you read the IG study and believe everything that they say, certainly there are some who shouldn't be put in. By the same token, there are some people who shouldn't get a lot of things. But I think to generalize and say that 10s and 20s should not be eligible for vocational rehabilitation is not the way to go. You can have somebody with a 10 or a 20 percent disability that, in essence, has a more severe employment handicap. I think the law is sufficient and gives them enough leeway to make those determinations.

Certainly when you're making judgment calls, you're going to make errors. Sometimes some people may be enrolled in something which they're not really entitled to. I am sure there are veterans enrolled in VJTA that aren't eligible but got enrolled anyway. So I think to say we should automatically—and I think that's what some of the critics are saying, that we should do away with the 10s and 20s. But I think the way the law is written, it gives us plenty of leeway and plenty of flexibility to say that this person does, indeed, need vocational rehabilitation training.

Mr. WILSON. I was not suggesting that the 10 and 20 percenters be out of the program.

Mr. DRACH. I didn't mean you, Mr. Wilson, but there are others who are advocating that.

Mr. WILSON. Mr. Bollinger, I think you mentioned there were people on the temporary disability retired list not being even made aware of the vocational rehabilitation program?

Mr. BOLLINGER. No, I don't think I mentioned that.

Mr. WILSON. I think you said that those people are not even made aware of the program. My question is, do you know if the Veterans' Administration is pursuing that?

Mr. CULLINAN. It is my understanding that the Veterans' Administration does not pursue it. The weak end is the problem when these people get out of the military. I believe at one time there was a little box, a form that they used, wherein they could indicate if they wished to participate in vocational rehabilitation. That has been eliminated and since that time, unless these people apply for VA benefits, I don't even know if the VA knows of their existence, much less—so I think it's more on the part of DOD, really, to provide some kind of a mechanism for these people coming out of the service, to inform them that they are, indeed, eligible. Perhaps a direct liaison with VA from DOD would be the answer. I'm not sure of that.

Mr. WILSON. I'm sorry. I think it was Dennis who testified to that effect.

Mr. DRACH. Mr Wilson, could I comment just briefly?

One of the first recommendations that the advisory committee made when I took over as chairman in 1985 was to the Administrator, that he contact the Secretary of Defense to try to address that very issue. In a relatively short period of time, the Administrator sent a letter to former Secretary Weinberger who, in turn, responded that yes, we want to work with you and we will work with you. That policy has not filtered down to the individual military establishments and it's primarily DOD's fault. They have not been notifying the VA and, therefore, the VA obviously can't go to the military hospitals and know.

Mr. WILSON. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. I want to thank all of you for appearing and for your testimony today. We will have an opportunity to review those statements and we would ask all of you to submit your statements in their entirety.

There being no further business, the subcommittee stands adjourned.

[Whereupon, at 3:40 p.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF

DR. DENNIS P. WYANT

DIRECTOR, VOCATIONAL REHABILITATION

AND EDUCATION SERVICE

VETERANS ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

MAY 11, 1988

Mr. Chairman and members of the Subcommittee:

I am pleased to be here today to brief you on the state of the veterans vocational rehabilitation and counseling programs which the VA administers, with particular emphasis on the quality and timeliness of chapter 31, Vocational Rehabilitation Services. As you know, Mr. Chairman, Public Law 96-466 instituted a number of significant changes to the veterans' vocational rehabilitation program. These changes, effective April 1, 1981, included the provision for more comprehensive evaluation and diagnostic services, a requirement for the veteran and the VA to jointly develop an individualized written plan of rehabilitation services, and the provision for employment services to assure the veteran sustained suitable employment prior to declaring the veteran to be rehabilitated.

Mr. Chairman, I would like to summarize where we are in the chapter 31 program today and review with you recent accomplishments and planned initiatives which have particular relevance to one of the VA's highest priorities--rehabilitating disabled veterans.

Vocational Rehabilitation and Counseling staff are currently located at Central Office, 58 regional offices, and 44 outbased

facilities. The field divisions currently employ a staff of 577 which includes 274 counseling psychologists, 150 vocational rehabilitation specialists, and a support staff of 153. Additionally, six regional offices use contract counseling centers to provide educational and vocational counseling services. These centers are used to provide counseling services only to nondisabled veterans and dependents.

Disabled veterans requesting assistance under chapter 31 and who meet basic eligibility requirements are provided a comprehensive initial evaluation. The comprehensive initial evaluation ensures that they receive the opportunity to fully explore the problems they are encountering in achieving independence in daily living and in preparing for, obtaining, and maintaining suitable employment. During Fiscal Year 1987, 39,496 disabled veterans were provided initial evaluations. The number of disabled veterans completing initial evaluations has remained relatively stable over the past 4 years, perhaps reflecting the buildup of the peacetime military forces. During Fiscal Year 1988, 69 percent of veterans completing an initial evaluation were found eligible and entitled to rehabilitation services and assistance under chapter 31. The percent of chapter 31 veterans completing an initial evaluation and found eligible and entitled to rehabilitation services has averaged 69 percent over the past 5 years.

At present, 24,431 veterans are actively participating in a program of rehabilitation services. VR&C staff is also working with an additional 7,538 veterans who have interrupted their programs because of personal, academic, or health problems. Most are expected to return to active participation in a vocational rehabilitation program with the assistance provided by VR&C staff in resolving the problems which caused interruption.

One-third of the participants have serious employment handicaps, 92 percent are male, and 75 percent are between 26 and 45 years of age. Eighty percent had either a high school diploma or GED when entering the rehabilitation process. The number of disabled veterans provided rehabilitation services has been relatively constant over the past 4 years, averaging more than 24,000 per year. Of the disabled veterans currently participating in a program of rehabilitation services, 3,684 are considered "job ready" and are receiving employment services.

In Fiscal Year 1987, we reviewed 632 cases in which veterans were declared to be rehabilitated. Under our strict criteria, if a veteran completes his or her program of services, and employment is obtained in the occupation for which services were provided, we consider the veteran rehabilitated if he or she maintains that suitable employment for at least 90 days. The results of our review showed that field staff were not consistently applying these precise criteria in declaring veterans rehabilitated. We provided additional guidance to field staff on the interpretation of the regulations governing rehabilitation declarations and this resulted in a drop in the number of cases determined to be rehabilitated to about 2,300. In prior years we had averaged about 3,600. Our further analysis of the cases reviewed found that there are a significant number in which veterans derived substantial benefit from participation in the vocational rehabilitation program not measured by our current provisions for determining program success. One example is the situation in which a veteran completes his or her program, but defers employment because he or she elects to continue higher education beyond that which may be furnished under chapter 31 for the veteran to become employable in a suitable occupation. Even though this person is job-ready, since he or she is not suitably employed, no measure of rehabilitation success may be

86-017 O - 88 - 3

recorded. We are exploring ways of recognizing all benefits which veterans derive from program participation, but which are not currently recognized by our definition of rehabilitation.

Public Law 96-466 authorized the VA to provide independent living services to participants in vocational rehabilitation programs and also established a program of independent living services for seriously disabled veterans for whom achievement of a vocational goal is currently infeasible. A 4-year pilot program was established. Following an evaluation of the results of the pilot program, Congress extended this program through Fiscal Year 1989, under the provisions of Public Law 99-576, the omnibus Veterans' Benefits Improvement and Health-Care Authorization Act of 1986. Many disabled veterans initially receive independent living services as part of the medical rehabilitation process. However, VR&C staff has approved for participation in the chapter 31 independent living program 19 very seriously disabled veterans since the program was extended. In addition, in Fiscal Year 1987, 19 seriously disabled veterans achieved independence, or a greater degree of independence, in daily living through this program.

Mr. Chairman, I would now like to provide you with an overview of improvements and recent program accomplishments which are enhancing the quality and timeliness of services to veterans in the chapter 31 program.

The provision of effective employment services is essential to the mission of the VA's vocational rehabilitation program. We have completed a number of initiatives to strengthen the employment services phase of the rehabilitation process. First, we recently conducted six regional training workshops in which

training was provided specifically to improve this service. Each program manager, counseling psychologist, and vocational rehabilitation specialist participated. Ongoing training of this type is critical to the effective operation of the disabled veterans vocational rehabilitation program. Secondly, we have initiated action to revise and update the VA-DOL employment services agreement. Associated state agreements will soon be updated, improving interagency coordination and cooperation.

We have initiated an aggressive campaign to increase the hiring of chapter 31 disabled veterans. We are working with private sector small employers such as the Callender Stationary Company in Columbia, Mississippi, and larger international ones such as Lockheed Corporation. Additionally, we are working with small and large public sector employers such as the regionalized Tennessee Valley Authority, and the U.S. Postal Service. To date, the Internal Revenue Service, Office of Personal Management, Small Business Administration, the National Aeronautics and Space Administration, the Federal Bureau of Investigation, the General Services Administration, and the Department of Health and Human Services have shown interest in working with us in hiring disabled veterans completing rehabilitation programs under chapter 31. We recently completed a mailing to 25,000 private sector employers, providing them with information about the chapter 31 program and encouraging them to contact VR&C staff in their geographical area when seeking qualified job applicants.

Finally, in Fiscal Year 1988, we created an Employment Task Force consisting of VR&C staff to study the obstacles to employment of disabled veterans in rehabilitation programs. The task force identified a number of constraints to effective delivery of employment services, including limited staff resources, the broad geographic distribution of disabled veterans, and the need

for staff development in job placement skills. As noted above, we have already partially addressed the latter issue through staff training; however, further training is needed. The success of the chapter 31 program is dependent for success on the effective employment of disabled veterans. We continue to look for ways to further improve this critical part of the chapter 31 program.

Mr. Chairman, we share your concern about the quality of services to disabled veterans. We have developed a new quality review system which will be field-tested this year, and should be fully implemented next fiscal year. The current quality control system is designed to identify errors, but is not effective in improving the quality of rehabilitation evaluations, eligibility decisions, and case documentation. Its focus is on errors found, and does not reinforce quality observed. The revised system is designed to reinforce quality aspects of rehabilitation work while at the same time noting areas of weakness and insuring corrective action.

The current chapter 31 payment system in Target is extremely limited in its capabilities, requiring manual processing which results in delayed services and creation of debt through overpayments. In 1983, the first phase of the chapter 31 modernization initiative was incorporated in the Target system. Phase II, the chapter 31 payment system redesign, is currently planned for installation in late 1989. This modernization of the chapter 31 payment system will benefit disabled veterans in numerous ways. Processing of subsistence allowance awards will be done electronically, eliminating a number of forms and staff review functions and reducing the amount of time for payment. Similarly, payments may be stopped when required without creating unnecessary veteran overpayments. The installation of the chapter 31 Phase II payment system redesign will remedy many of the payment,

statistical, and internal control problems experienced with the current system. Subsistence award processing and other related functions will be comparable and compatible with other veterans' benefit delivery systems and more accurate and timely service to the veteran will be provided.

Some additional program accomplishments to enhance service delivery include diminishing the administrative burden on our field staff by reducing a number of reports and refining procedures, while at the same time expanding the use of automated systems for the collection and reporting of management information. This has provided more staff time for direct delivery of services and closer training and supervision of VR&C staff.

We have continued to revise program operating instructions. Approximately 90 percent of the VR&C operations manual has been completed. Part of the manual has been released to field staff and part will be released soon. This material was used in draft form to conduct the regional training workshops last year, and is helping to assure uniformity of rehabilitation services to disabled veterans.

During Fiscal Year 1987, implementation of a computer assisted guidance information system was begun by providing funds for hardware and software to selected field offices. This system is not yet fully implemented and disseminated. Using personal computer programs, it provides up-to-date educational and career guidance information and testing during the rehabilitation counseling process. We are currently reviewing an additional computer system designed to more objectively assess the impairment of a veteran's capabilities caused by his or her disability. Both systems, if successful, would improve delivery of services by enhancing the evaluation process and the planning of rehabilitation services.

VR&C field staff have been challenged by their workload and are working vigorously to provide quality services within reasonable time frames. Our workload indicators show that the number of applicants and program participants has stabilized and is expected to remain about the same for the next several years. We have done our best to retain qualified staffing at a level which will meet service needs, and we are exploring ways of improving both quality and timeliness through reductions in paperwork and use of computer assistive devices and systems to speed some of our processes.

Timeliness of rehabilitation service delivery is essential if disabled veterans are to be assisted when they are well-motivated to pursue the rehabilitation process. Over the past 3 years, we have concentrated our efforts on improving the timeliness, as well as quality, of rehabilitation casework.

VR&C staff assist veterans in acquiring suitable employment as a part of the chapter 31 program. The number of days for the average veteran to acquire such employment after becoming job-ready was 233 days in Fiscal Year 1985 and is now 275 days. I should add here that the minimum number of days in employment service is 90 days, since a veteran is provided post-employment services for that minimum period prior to being declared rehabilitated. We expect improvement in timeliness of services because of the implementation of the Computer Assisted Information System (CAIS), the implementation of the chapter 31 automated payment system (Phase II), and the combined effect of the ongoing initiatives previously addressed here today.

This concludes my testimony on the chapter 31 program, Mr. Chairman. I would now like to briefly summarize services provided under chapters and authorities other than chapter 31.

The VA provides comprehensive counseling services to assist non-disabled veterans, service persons, and other eligible persons who hope to use their educational assistance and benefits for education or training. Services are available at more than 100 locations nationwide, including VA regional offices, outbased locations, and contract counseling centers.

Counseling services are authorized under almost all education programs administered by the VA including chapter 30, the Montgomery GI Bill-Active Duty; chapter 106, the Montgomery GI Bill-Selected Reserve; chapter 32, the Post-Vietnam Era Veterans' Educational Assistance program (VEAP), chapter 34, the Veterans' Educational Assistance program; chapter 35, the Survivors' and Dependents' Educational Assistance program; and the Veterans' Job Training Act (VJTA) program.

There appear to be two trends in the use of counseling services by veterans and dependents:

1. The number of counseling requests has decreased. Counseling services provided to veterans in the programs described above have declined from approximately 15,660 in FY 85 to 11,685 in FY 86 and 10,116 in FY 87. There has been a procedural change in the manner in which veterans may request counseling. Prior to December 1985, a veteran could request counseling by checking a box on his or her application for veterans benefits. When the application form was revised in December 1985 following interagency review of the form, the item in which veterans could request counseling was eliminated. Following this change to the application form, new instructions were issued to authorize approval of requests for counseling when the veteran personally contacted VA staff at the regional office by letter, telephone, or other means.

2. Veterans in the chapter 32 contributory program and the chapter 30 program appear to request counseling at a lesser rate than veterans and dependents in other programs. While veterans in the former programs constitute nearly a third of all participants in VA education programs, they accounted for only 5 percent of veterans counseled during FY 87.

Public Law 98-543, the Veterans' Benefits Improvement Act of 1984, established two temporary programs of vocational training and rehabilitation--one for certain veterans awarded VA pension and the other for certain service-disabled veterans awarded additional compensation because of a rating of IU (individual unemployability). These programs run from February 1, 1985, through January 31, 1989. We have implemented the provisions of both programs.

Mr. Chairman, this concludes my testimony. I will be pleased to respond to any questions you or members of your Subcommittee may have.

STATEMENT OF BRIAN T. MCMAHON, PH.D.

Executive Director
New Medico Rehabilitation Center of Wisconsin
and
President
American Rehabilitation Counseling Association

Before

Subcommittee on Education, Training and Employment
Committee on Veterans' Affairs
House of Representatives

May 11, 1988

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before you today to provide you with an overview of rehabilitation services available in the private sector, with specific reference to the quality and timeliness of such services. I appear before you in the capacity of President of the American Rehabilitation Counseling Association (ARCA). This is a 3,000 member division of the American Association for Counseling and Development, which has 57,000 members. ARCA's mission is to provide leadership which will encourage excellence in rehabilitation counseling practice, research, consultation, and professional development.

I also represent the private sector (insurance) rehabilitation community, especially my employer, the New Medico Head Injury System, which is the largest provider of rehabilitation services to traumatically brain injured individuals in the world. I have written and lectured extensively on matters related to private sector and insurance rehabilitation, and I hope that my perspective will be helpful to

the subcommittee today in deliberating issues of quality and timeliness. It is my hope that these observations might eventually bring about greater cooperation between the Veterans Administration and the private sector toward our shared goals of improved vocational rehabilitation services to veterans.

From a service delivery standpoint, the key ingredients in private sector rehabilitation (and its advantages) are consumerism, quality control and competition. While these ingredients appear in the public sector as well, they are part and parcel of the private sector rehabilitation movement.

Consider the ingredient of competition, for example, in relation to my current field of endeavor--head injury rehabilitation. In 1980, only 6 categorical head injury rehabilitation programs existed nationally. Today there are 688. Over ninety per cent of these are for-profit companies, and the competition among them is intense. It is manifest every day in the recruitment and retention of qualified professionals, vigorous marketing, and (more important) strident efforts to exceed the quality assurance standards of regulators and accrediting bodies.

The vocational rehabilitation process is an altogether remarkable and effective tool. Its basic components are identical in all major service delivery systems--state-federal, VA, or private sector. As you know, these services include vocational evaluation, vocational training, vocational counseling, work adjustment training, job placement, and follow-up. Insurance rehabilitation, however, places far less emphasis

on counseling and training, and far greater emphasis on early intervention, brief and targeted evaluations, and immediate job placement activity and outcomes. The placement oriented nature of the private sector service delivery system, in my opinion, is largely responsible for its success. I hasten to add, however, that private sector rehabilitation is driven by cost containment, and thus expeditious job placement is more important than "maximization of potential," which is the goal in the VA system. This philosophic and economic distinction explains why insurance rehabilitation is so placement oriented.

As a corrolary of this placement emphasis, private sector rehabilitationists utilize the following return to work hierarchy in the establishment of vocational goals:

1. Return the client to work performing the same job with the same employer.
2. Return the client to work performing the same (but modified job) with the same employer.
3. Return the client to work performing a different job, that capitalizes on transferable skills, with the same employer.
4. Return the client to work performing the same or modified job with a different employer.
5. Return the client to work performing a different job, that capitalizes on transferable skills, with a different employer.
6. Return the client to work performing a different job, that requires extensive and prolonged training, with the same or different employer.
7. As a last resort, return the client to work in a self-employed capacity.

3

Again, this hierarchy represents an approach altogether different from one which seeks to maximize the vocational outocme. Placement is the goal, not necessarily the "best" or "ideal" placement, and relatively little investment is made in assessment, training, and/or counseling. It is obvious that this hierarchy has a direct bearing on the nature and duration of services offered by the majority of private sector practitioners. It is praiseworthy that the VA system continues to focus on the balanced provision of all necessary services (including training and counseling) and continues to strive for enduring and quality job placements.

Second, and partly as a consequence of the aforementioned competition, there is a strong emphasis in insurance rehabilitation on <u>early intervention</u>. We have learned both through extensive research by Monroe Berkowitz and others, as well as by our own experience, that if disabled clients are not returned to competetive employment within two years, they will rarely return at all regardless of the intensity, duration, or quality of rehabilitation services provided. In the private sector, vigorous casefinding, outreach, and referral coordination are the rule.

Using the New Medico Head Injury System as an example once again, it is a corporate goal that the entire process of referral from the moment of inquiry to the actual arrival and admission at a facility not exceed three business days. Admissions on weekends and holidays are not unusual.

This strong consumer orientation is in sharp contrast to the

months of waiting which a veteran must endure to access the fine services of the VA. I was surprised to learn, for example, that the typical veteran in my own region (Milwaukee area) waits 60 days from the time of application to the intake interview. I took small comfort in learning further that the national average is 95 days. Again, the clinical benefits to clients and the cost benefits to payors for early intervention are clearly established matters of record.

Third, there is the matter of qualified personnel. I am both a Licensed Psychologist and a Certified Rehabilitation Counselor, but it is the latter training which has qualified me to do vocational rehabilitation work. There is nothing inherent in the training of a clinical or counseling psychologist which speaks to the vocational life area of clients. I was once very surprised by the large number of psychologists employed by the Veterans Administration to administer and deliver vocational rehabilitation services. I have discovered recently, however, that the VA has taken great strides to improve the vocational and rehabilitation standards for its personnel, in concert with the National Council on Rehabilitation Education. I congratulate the VA on its recognition that the body of knowledge for effective vocational rehabilitation includes unique and highly specialized skills.

Fourth there is the matter of caseload size. I am keenly aware that in the state-federal vocational rehabilitation program, caseload sizes of 150 are commonplace. This is unfathomable from the perspective of what is required to provide quality vocational rehabilitation. I am told that in the Veterans

Administration, caseloads are fast approaching 200 clients. This allows for 1.25 man hours per month per client. This disturbing fact overlooks the reality that the job of successfully rehabilitating a single severely disabled individual is very ambitious, involving the rebuilding of work skill proficiency, work quality, work rate, work endurance, work adaptive behaviors, and work motivation.

Please take a moment to contrast this situation with that of the private sector rehabilitation community, in which caseloads in the 20 to 25 range are the norm. In the New Medico Head Injury System, the caseload of the Program Case Manager (PCM) may be 8 or at most 10 clients, and the PCM has no responsibility for the direct provision of services. PCMs are the architects of the treatment plan; they supervise quality assurance and consumer satisfaction, and they are the liaison the to family, payor, referral source, and (if applicable) attorney. PCMs hold corporate management positions in New Medico and are the backbone of our service delivery system. In brief, I cannot conceive of individualized vocational rehabilitation services of reasonable quality being provided by even the most skilled professional with a caseload exceeding 25 clients.

Finally, it is regrettable that there exist some federal exigencies which prohibit the Veterans Administration from contracting with any for-profit entity for the provision of certain rehabilitation services; i.e. independent living (Section 1520, USC 38) and direct job placement (Section 1517, USC 38). This is regrettable because the disabled veteran is not able to

access certain services which may be of higher quality, more convenient geographically, less expensive, or more specifically targeted to his/her service needs. The full range of choices for quality rehabilitation services are simply not available to our veterans, who might be better served if the VA and private sector could work more closely to accommodate them. Given that this particular clientele deserves the very best and most timely services available nationally, a more cooperative relationship between the VA and private sector appears desirable.

There is no question in my mind that the Veterans Administration is genuinely committed to timely vocational rehabilitation services of the very highest caliber for our nation's veterans. Having followed recent developments in the VA with great interest, I wish to commend the Vocational Rehabilitation and Counseling Service on the significant and progressive strides it has made in recent years to expand services, improve outreach, enhance the level and relevance of professional competencies, develop clinical management information and program evaluation systems, and achieve such impressive results. I particularly commend the VA on its openness to input from such professional associations and private sector providers as I represent. In both rehabilitation service delivery sectors, VA and private, we do good work and are engaged in the most noble of professional endeavors--restoring dignity to human lives. I look forward with optimism and anticipation to greater interface between our two service sectors in the years ahead, confident in the opinion that our veterans will be even better served.

Mr. Chairman and Members of the Subcommittee, thank you again for this opportunity to present my views. I am pleased to entertain any questions or comments that you might have.

STATEMENT OF

DENNIS M. CULLINAN, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

OVERSIGHT OF THE VETERANS ADMINISTRATION
VOCATIONAL REHABILITATION PROGRAM

WASHINGTON, DC May 11, 1988

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the Veterans of Foreign War's 2.2 million members, I would like to thank you for the opportunity to present our views regarding the effectiveness of the Veterans Administration's (VA) improved Vocational Rehabilitation Program as amended by Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980.

As you know, Mr. Chairman, the VA has administered this Vocational Rehabilitation Program for a number of years. The enactment of Public Law 96-466 up-dated and expanded this program in ways that considerably enchanced the VA's ability to respond positively to the multitude of needs of disabled veterans. Briefly, the law provides that services and assistance necessary to enable service-connected disabled veterans to achieve maximum independence in daily living and, to the maximum extent possible, to become employable and obtain and maintain suitable long-term employment be carried out through a number of means. Among these are: evaluation (or reevaluation) of a veteran's potential for rehabilitation; educational, vocational, psychological, employment and personal adjustment counseling; a work-study allowance; employment placement services; personal and work adjustment training; various training services and assistance, including tuition, fees, books, supplies, equipment and other training materials; interest-free loans; prosthetic appliances, eyeglasses and other corrective and assistive devices; services to a veteran's family to facilitate the veteran's effective rehabilitation; services supplies and equipment for homebound training or self-employment; travel and incidental expenses for job seeking; services necessary to enable a veteran to achieve maximum independence in daily living, and others.

According to a VFW survey, our Department Service Officers are virtually unanimous in agreeing that the program is working well. On the survey many commented that DVB is bending over backwards to accommodate veterans. Further, it was reported that many stations were aggressively conducting vocational rehabilitation outreach; however, there is concern that older veterans are perhaps being overlooked. We do, furthermore, recognize other problem areas.

There is unanimity in the assessment that the greatest single problem facing the VA Vocational Rehabilitation Program is a shortage of staff. It has been noted by our Department Service Officers that delayed rating/application decisions cause veterans to miss course and program opening dates. There have been reports of lengthy approval times due to delays getting the application through adjudication. Furthermore, counseling is often not available on a timely bases in certain areas due to staff shortages. Thus, the greatest problems we have found with the program lie not with the involved staff, but rather with their lack of numbers. Staffing should be increased.

A major concern that has come out of the aforementioned VFW survey on this issue is the situation where a veteran is judged by a vocational rehabilitation counselor as not being suited for the program due to service-connected disabilities, then upon application for an increase in compensation is denied on the grounds that the involved veteran can indeed work. We very strongly believe that this misunderstanding and confusion with respect to the critria for rating a disability must be rectified.

Even so, the VA's Vocational Rehabilitation Program has, in our view, been well managed and has accomplished much toward assisting service-connected disabled veterans lead meaningful and productive lives. We have found VA personnel extremely competent in the counseling and psychological aspects of the program. But the handling of the multiplicity of employment-related aspects of the program, as called for in the provisions of Public Law 96-466, could well stand some fine tuning.

As you are aware, 38 USC 1517 outlines the employment assistance that may be tendered to a veteran with a sevice-connected disability who has participated in a Vocational Rehabilitation Program. This assistance may include direct placement, use of Disabled Veterans' Outreach Program (DVOP) counselors, utilization of job development and placement services, assistance in securing a loan for self-employment in a small business, and active promotion and development in the establishment of employment training and other related opportunities. This employment mechanism has yet to be fully developed by the Veterans Administration.

The staff of the Vocational Rehabilitation Department has been shrinking since 1982. With this reduction has come an increased caseload for the Vocational Rehabilitation Specialists now averaging approximately 190 cases per specialist. We believe the optimum caseload to be 100 per specialist. Additionally, the waiting period has increased from 77 days to a totally unacceptable 95 days.

As with any large program, there is a problem with training. The Vocational Rehabilitation Specialist at the local level has not received adequate training in the employment arena, nor has he received the appropriate guidance to clarify individual eligibility.

Title 38 USC 2003(A) allows for three-fourths of the Disabled Veterans' Outreach Programs Specialists in each state to be outstationed at Local Employment Service Offices. DVOPs who are not stationed at the Employment Service are to be stationed at centers established by the Veterans Administration to provide a program of readjustment counseling. To our knowledge, no DVOPs are presently being used in the vocational rehabilitation arena in accordance with 38 USC 1517. These individuals, with their employment expertise, whose duties and responsibilities are outlined in Section 2003(A) of Title 38, could significantly improve the employment assistance rendered to veterans in the Vocational Rehabilitation Program.

Another problem limiting the effectiveness of the VA's Vocational Rehabilitation Program is the fact that many disabled veterans are not aware of their eligibility under Chapter 31. Apparently members of the armed forces who are placed on the temporary disability retired list are not notified of their eligibility for vocational rehabilitation unless they file for VA benefits. It is our view that these individuals should be informed about their eligibility and that this could be best accomplished by the Physical Examination Board Liaison Officer (PEBLO). This is, in our view, an important aspect of the armed forces Transition Management Program, which is now under development.

Transition management is going to be increasely important in the upcoming years. Statistical data projects large increases in the number of disability discharges. It has been estimated that disability discharges would be in the range of 22,000 per year throughtout the armed forces over the next five years. At this time, the VA is receiving approximately 4,000 compensation claims per month and this number is expected to increase. DOD estimates that it is presently processing 114,000 discharges per year. Thus, it is evident to us that efficient and effective transition management--the unified effort between reenlistment, in-service recruiter, separation, veterans' affairs, retirement services and educational programs--must guide disabled veterans into the VA's Vocational Rehabilitation Program. We are shocked that necessary information about VA's Vocational Rehabilitation Program is not being provided to disabled veterans discharged from military hospitals or administrative holding companies. Obviously, the goal of transition management should be to assist veterans and disabled veterans effect a satisfactory transition into civilian life. To do the job it must provide these individuals with information about their eligibility for vocational rehabilitation and education. It is also obvious, to us, that the already understaffed VA Vocational Rehabilitation Program will be absolutely crippled unless additional staffing is provided as the demands on the program grow.

Another shortcoming, a veteran in the Vocational Rehabilitation Program cannot be adequately tracked through existing system. The program is relying on 1958 "key punch" technology this is not sufficient to adequately address the complex and fast changing modern employment market. There is a real need for this program to update its technology.

In summary, Mr. Chairman, with the enactment of Public Law 98-466 and the consequent revision and revitalization of the VA Vocational Rehabilitation Program, much has been accomplished toward affording service-connected disabled veterans the opportunity to find and retain meaningful employment. Still, much remains to be accomplished, and we strongly believe that staffing reductions are adversely impacting the program. You may rest assured that the VFW will continue to work toward the furtherance of this highly valuable veterans' program.

I would now express our sincere gratitude to you and this Subcommittee for requesting our participation in this most worthwhile hearing. This concludes my testimony, Mr. Chairman. I will be happy to answer any questions you may have.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

SAMUEL J. WALSH, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

PHILIP R. WILKERSON, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

OVERSIGHT OF VA'S REHABILITATION PROGRAM

MAY 11, 1988

STATEMENT OF PHILIP R. WILKERSON, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
MAY 11, 1988

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to present its views on the current status of the Veterans Administration program of vocational rehabilitation for service-connected disabled veterans, under Chapter 31 of title 38, United States Code, and the agency's efforts toward implementing the improvements in benefits and services authorized by the "Veterans Rehabilitation and Education Amendments of 1980", Public Law 96-466.

The current program of vocational rehabilitation, as provided for under Public Law 96-466, evolved from the initial program established in 1918 by Public Law 65-178 for the service disabled veterans of World War I. At that time, discharged veterans entitled to compensation for a service-connected disability who were either unable to carry on a gainful occupation, resume their former occupation, or enter upon some other occupation were to be furnished a course of vocational rehabilitation. Legislation providing a similar program was enacted in 1943, under Public Law 78-16, for those disabled veterans of World War II. The overall goal of the program was to restore employability lost by virtue of a vocational handicap resulting from a service-connected disability. Entitlement to disability compensation continued to be the basic eligibility criteria, along with a demonstrated need to overcome the handicap to employment. Eligibility was subsequently extended to similarly disabled veterans of the Korean Conflict in 1950. In 1962, peacetime veterans with service-connected disabilities rated at a minimum of 30% or rated at less than 30%, with a pronounced employment handicap, became eligible for Vocational Rehabilitation. With the enactment of Public Law 93-508 in 1974, all veterans with service-connected disabilities rated at 10% or more became eligible for the program, if the need for vocational rehabilitation could be demonstrated.

It is interesting to note the fact that prior to 1980 and the passage of Public Law 96-466, the agency's efforts to rehabilitate disabled veterans was rather narrowly focused on assisting them to the point of becoming employable through a program of training and education. Employability however, was not synonymous with actual employment. As a result, disabled veterans in the main were left more or less on their own to secure suitable employment following the completion of their program. This was one of the major shortcomings in the vocational rehabilitation program up to that time.

Overall program effectiveness was limited by the lack of comprehensive and interrelated rehabilitation services for those veterans eligible for Chapter 31 benefits, to include job development and job placement assistance, maximum utilization of VA educational programs, and outreach to disabled veterans. Moreover, studies of the vocational rehabilitation program by the GAO and the VA's own studies highlighted the need for improved and effective management and accountability procedures.

In 1980 Congress sought to address these and other issues affecting disabled veterans through a broad restructuring and expansion of the program of training, education, and employment-related services to provide a unified program of vocational training which encompassed pre-training and post-training services and assistance, including the availability of independent living services to veterans with severe disabilities. It also provided for improved coordination with other Federal agencies and their programs of employment assistance. The American Legion supported this legislation and welcomed its enactment as a demonstration of the continuing commitment of the Federal Government to assist service-connected disabled veterans in overcoming their handicaps and regaining their rightful place in the labor market, as well as providing an important means by which to improve their lives.

Public Law 96-466 represented an historic revision of the program, in terms of goals established for the agency and for individual veterans, the nature and scope of the services authorized, and improved management and administrative procedures. The mission thus became one of providing all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the extent feasible, become employable and obtain and maintain suitable employment. Applicants found to need assistance because of an employment handicap based on a service-connected disability are evaluated to determine if they need services to enable them to be more independent in the activities of daily living, or education or training to provide them with job skills, job placement or other types of employment assistance. Disabled veterans who do not have appropriate job skills are assisted in developing an education and training plan which will provide them an opportunity to learn needed skills. Those veterans who complete programs of education and training, and who are determined to be ready for a job, are to be provided employment services to assist them in finding employment which is compatible with their aptitudes, interests, abilities, and disability limitations, as well as follow-up services once employment has been secured.

This legislation included the additional responsibility of providing comprehensive counseling and assessment services, on request, to veterans, servicepersons, and qualified dependents who are eligible for VA educational assistance under Chapter 30 - the All-Volunteer Force Educational Assistance Program, Chapter 32 - the Post-Vietnam Era Veterans Educational Assistance Program, Chapter 34 - Veterans Educational Assistance, and Chapter 35 - Survivors' and Dependents' Educational Assistance. Subsequent legislation provided eligibility for such counseling services to members of the Selected Reserve under Chapter 106 of title 10, USC, for active duty members under Public Law 96-342 and veterans under the Job Training Act of 1983. More recently, Public Law 98-543 in 1985 added two four-year pilot programs to evaluate and provide vocational training and related services to certain nonservice-connected disability pension recipients and to service-connected veterans with total ratings based upon individual unemployability.

This Subcommittee, in July 1983, reviewed the VA's efforts toward implementing the many changes in operation and administration of the vocational rehabilitation program mandated by the foregoing legislation. At that time, The American Legion expressed the belief that considerable progress was being made by the VA in the development and implementation of a variety of program initiatives which had improved services to disabled veterans and, as a result increased numbers of veterans being placed in suitable employment.

Concerning the Subcommittee's current review of the Voc Rehab Program, then as now, our experience, including that of The American Legion's Department Service Officers across the country, in assisting service-connected disabled veterans with their vocational rehabilitation claims has not involved a large number of complaints. The American Legion's efforts have been primarily in the area of outreach to potentially eligible veterans by way of providing information on the program and how and where to apply. Part of this outreach effort is directed toward potential employers in seeking their support for hiring disabled veterans. We believe the lack of complaints speaks well for the level of service being provided veterans by the staff of the Vocational Rehabilitation and Counseling Service. However, based on information contained in various VA reports, including that of the VA Inspector General in March of this year, there are a number of issues of particular concern which merit this Subcommittee's attention.

With respect to activities in the Voc Rehab Program and the issues of timeliness and quality in the services provided disabled veterans, the overall workload of the Vocational Rehabilitation and Counseling Service has remained at fairly high levels in recent years. According to the VA, the number of veterans in the evaluation and planning phase of the program has been increasing in each of the last three fiscal years. It has risen from about 4,400 in 1985 to about 7,590 in the current fiscal year. The number of disabled veterans actually receiving rehabilitation training or services, including employment assistance, has likewise been increasing over the same period from about 21,900 to 24,000. The number of individuals receiving educational counseling services has shown a downward trend and is projected to stabilize at about 5,500 for this and next fiscal year. Staffing in the Vocational Rehabilitation and Counseling Service for FY 1985 was 597 FTEE. In FY 1986 it decreased to 580 FTEE and for FY 1987 it was up to 639 FTEE. Average employment for FY 1988 was estimated to be 661 FTEE. However, the budget request for FY 1989 called for a decrease of 11 FTEE down to 650. The VA's budget message for FY 1989 states that, "The requested FTEE level for 1989 will provide continued good service to our veterans." It further states, that "The proposed reduction in employment reflects the estimated resources needed to accomplish anticipated workload and to provide acceptable levels of service to veterans."

Mr. Chairman, from a review of the workload data The American Legion believes that disabled veterans are not receiving "good" service, under present conditions. The rise in the overall number of veterans availing themselves of Chapter 31 services in the period 1985-1987 has resulted in substantial increases in the number of days required to complete the various steps in the vocational rehabilitation process. Initial processing time for an application for Chapter 31 benefits has gone from 78 days in 1985 to 90 days in 1987. The evaluation and planning step which required 45 days in 1985 was up to 58 days in 1987. Extended evaluation for severely disabled veterans went from 154 to 182 days. The period of rehabilitation to employability was 345 days in 1985. In 1987 it was 454 days; an increase of almost 100 days.

Such data confirms a continuing and substantial deterioration in the timeliness of action in Chapter 31 cases. In the same period, there was a corresponding increase in the number of cases for which an individual Vocational Rehabilitation and Counseling specialist was responsible. This went from 170 cases in FY 1986 to 181 cases in FY 1987. In our judgment, the personnel resources of the Vocational Rehabilitation and Counseling Service have been stretched to the limit. The quality of service provided

disabled veterans cannot help but be adversely affected. It now takes far longer to get evaluated, and even once enrolled in the program subsistence benefits are slow in starting. Experience has shown that such delays and holdups at the beginning of any such program have a significant impact on the veteran's motivation and attitude. Increasingly there is a lack of communication, supervision, or follow-up by the Vocational Rehabilitation and Counseling staff due to the heavy caseload, which causes many veterans to drop out or fail to complete their planned program. It is the veteran who is trying to overcome the handicap caused by his or her service-connected disability who suffers, as a result.

As previously mentioned, the issue of the quality of certain actions by the Vocational Rehabilitation and Counseling Service was the subject of report by the VA's Inspector General in March of 1988. The audit focused on whether or not veterans enrolled in the program met established eligibility criteria and were being provided all of the necessary services. The report also contained a validation of the reported number of veterans rehabilitated, and a determination of whether employment adjustment allowance payments were appropriate. Of the 27,000 veterans participating in the program annually, about 12.6% (3,400) were reported by the VA as having completed their training program and obtained steady employment in occupations related to, or comparable with, their training objective. Participating veterans received subsistence allowances of about $68 million and the VA spent about $39 million for tuitions, fees, books and other expenses. Including staff costs, the total cost of the Voc Rehab Program in FY 1987 was about $125 million.

The IG reported that in the cases sampled a high proportion did not need the vocational rehabilitation provided as many were either employed or had previously been employed. Not all veterans were placed in programs compatible with their disabilities, interests, aptitude or abilities. It was found that military retirees did not require or utilize the rehabilitation training received. On the basis of these findings, the IG estimated that for the Voc Rehab Program as a whole, about $45 million was spent for unneeded or inappropriate training. In addition, the IG concluded that only about six percent of the 27,000 disabled veterans who annually received vocational training or services were "rehabilitated" versus the VA's reported success rate of 12.6%. The IG found significant errors in the VA's reporting. Veterans were reported as rehabilitated even though they did not obtain employment consistent with their training or did not obtain suitable employment, vocational rehabilitation training was not needed,

employment was not obtained and maintained for sixty days, and some veterans had received no training or services. In the area of employment services, many veterans were not provided assistance in obtaining employment, as required under the law.

The IG concluded that VA personnel failed to identify the factors contributing to the relatively low rate of success of veterans in the program. There was reportedly an overall lack of internal controls necessary to effectively monitor program results and cost effectiveness. It was also determined that the payments of readjustment subsistence allowance to veterans who had trained to the point of employability were inconsistent, and in many instances unwarranted. According to a sample, $667,000 in payments in the period covered by the report could have been avoided.

The Chief Benefits Director, in responding to the IG's report, concurred with most all of the recommendations for changes in various administrative and operational procedures. However, there was considerable disagreement with the statistics and the audit staff's interpretation of the laws, regulations, and program policy as contained in the report.

The American Legion has always been a staunch supporter of the vocational rehabilitation program and its efforts on behalf of the service-disabled veterans of our nation. It is a program which has directly benefitted tens of thousands of veterans in finding new occupations, over the years. In the process, millions of dollars in Federal funds have been expended annually for subsistence allowances, tuitions, fees, supplies and services. We believe the recent report of the VA IG illustrates the need for a number of improvements in the way in which the program is managed.

In our estimation, even if many of the findings cited by the IG are only partially substantiated, there is critical need to improve the efficiency and effectiveness of the management of the program both with respect to the program's overall goals and its fiscal integrity. It is unfortunate that the IG's report failed to address the impact that staffing and caseload levels in the Vocational Rehabilitation and Counseling Service have had on "effective" case management and documentation, "questionable" approvals, inability to provide necessary employment and post-employment services, etc. Staffing resources have not kept pace with the increased workload responsibilities and, in our opinion, it is reflected to a considerable extent in the loss of quality control described by the IG's report.

The American Legion believes the continued oversight of this important program is essential. We would, therefore, recommend the Subcommittee undertake a further review of its operations and the agency's efforts to implement the IG's recommendations within the next twelve to eighteen months.

Mr. Chairman, that concludes our statement.

STATEMENT
OF
COLONEL HERB ROSENBLEETH, U.S. ARMY (RET)
NATIONAL LEGISLATIVE DIRECTOR
JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA

BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
MAY 11, 1988
ON
TITLE I OF PUBLIC LAW 96-466
MAY 11, 1988

Chairman Dowdy and Members of the Subcommittee on Education, Training and Employment of the House Veterans' Affairs Committee, I am Colonel Herb Rosenbleeth, US Army (Ret), the National Legislative Director of the Jewish War Veterans of the United States of America, a congressionally chartered veterans' service organization. On behalf of our membership, I thank you for the opportunity to appear today to testify before this distinguished committee.

Since it's founding in 1896, the Jewish War Veterans of the USA, the oldest active veterans organization in the United States, has stood for a strong national defense and for just recognition and compensation for veterans. JWV is a voice for America's security interests around the world and has always taken a strong interest in human rights.

The benefits provided in the Vocational Rehabilitation and Education Amendments of 1980 are extremely important to our nation's disabled veterans. The Veterans Administration needs the funding and staffing levels necessary for implementing these amendments so that disabled veterans will receive the level and quality of service intended by the law.

The Jewish War Veterans believes the treatment and rehabilitation of service connected disabled veterans should be one of the highest priorities of the Veterans Administration. This does not diminish our strong support for other veterans programs, but points out the needs of a very special group, the disabled veterans. Whether the veteran only recently entered the service, or has nearly completed a career with the military forces, a permanent disability is a crushing blow, physically and psychologically. The fact that a veteran's vocationally handicapping condition resulted from a declared war, an undeclared military action, an act of terrorism, or a training exercise is not significant. What does matter is that the veteran was serving in our armed forces. In that case, Title I of Public Law 96-466 entitles the disabled veteran to vocational rehabilitation and education.

Today we are addressing the quality and timeliness of services to "service-connected disabled veterans seeking to find and maintain long-term, meaningful employment."

In addressing these issues I have looked at the most recent data available, spoken with our Senior National Service Officer, with a Chief Vocational Rehabilitation Counselor of the Veterans Administration, and with other veteran organizations. I have been informed the number of disabled veterans receiving rehabilitation or counseling services has grown from 28,752 in 1985 to 32,145 during 1987. There were also 4,307 veterans available for employment.

These veterans do not want to remain on social programs. They want the opportunity to work. Employers are generally unaware of the capabilities of handicapped individuals. Disabled persons do not know how to go about finding a job. The VA is supposed to provide the link between the employer and the disabled veteran.

At the end of the last fiscal year, there were nearly 12,000 service connected disabled veterans in application status for vocational rehabilitation services, and the average time they remained in that status without any services was 90 days.

JVV realizes the insufficient staffing levels in the Vocational Rehabilitation and Counseling Division is only one reason disabled veterans do not receive timely services. Adjudication's staffing levels are also not meeting the needs of disabled veterans in a timely manner. There are major delays in application status and also in the payment of subsistence allowances in rehabilitation programs. The vocational program subsistence allowance processing for disabled veterans has not been substantially improved since 1956. This payment system must be modernized or veterans will continue to be forced to utilize other social programs to meet their basic needs.

In addition to the Chief, the Vocational Rehabilitation and Counseling Division has two critical positions in serving our veterans. Generally, the first individual a disabled veteran meets during this process is a Counseling Psychologist. The psychologist has the responsibility for determining the eligibility of a veteran for vocational rehabilitation service. The pending caseload during 1987 was over 19,000 disabled veterans. The national average to eliminate this problem has been estimated to be as high as 19+ months. Each veteran must be provided extensive evaluation and counseling in the development of a rehabilitation plan. Vocational rehabilitation is a very timely process and any effort to cut corners results in inferior quality of service to disabled veterans. If the Counseling Psychologists are forced to see more than 25 or 30 cases a month, the quality of service must be questioned. The other position is the Vocational Rehabilitation Specialist (VRS). The VRS has primary responsibility for the success of a veteran's rehabilitation program after its development. This includes but is not limited to: supervisory visits to rehabilitation sites; authorization and payment of tuition, fees, and supplies; requests for Revolving Fund Loans; availability for emergency service to the Department of Medicine & Surgery and/or other referral service; and, the labor intense efforts of obtaining employment for disabled persons.

I have been informed that rehabilitation professionals consider caseloads of 100 to 125 to be the highest acceptable level at which quality services can be provided. Currently, the State programs for Vocational Rehabilitation caseload average is 108 disabled persons. At the completion of Fiscal year 1987, the Veterans Administration caseload for VRS's averaged 195 disabled veterans. Thus, the quality of service to our nation's disabled veterans is not at an acceptable level.

JVV commends the Vocational Rehabilitation Program and field staff for assisting 2,464 veterans during 1987 to "regain their dignity through employment." We, are however, extremely concerned about the timeliness and quality of services, especially with job placement. Rehabilitation without job placement is not a completed action.

In summary, we believe the legislation is sound. We are advised that efforts for total implementation of the mandate are not being met. This is not a reflection of the Veterans Administration staff, rather it is a reflection of the staffing levels not being adequate in the Vocational Rehabilitation program. The productivity level is beyond what is expected, in fact, many concerned Veterans Administration employees work beyond their scheduled hours to assist veterans. In order to properly implement the legislation, adequate staff must be maintained.

The Jewish War Veterans of the USA appreciates being able to appear before this subcommittee on this very important issue. We are grateful to you, Chairman Dowdy, and to this subcommittee for your efforts in support of America's veterans.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION TRAINING & EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS AFFAIRS
MAY 11, 1988

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans and its Ladies' Auxiliary, I would like to thank you for giving us this opportunity to provide comments on the VA's Vocational Rehabilitation Program particularly as to the quality and timeliness of employment services.

The DAV is grateful to you Mr. Chairman and the members of this Subcommittee for holding these hearings. Your willingness to do so obviously reflects the sincere ongoing interest and concern of the Subcommittee as well as your desire to review and assess the various employment programs and their impact on this nation's disabled veteran population.

This Subcommittee has been a leader in monitoring the activities regarding employment services to our veterans. This is most evident by the passage of S. 999 two weeks ago which, as you know, Mr. Chairman, is a major rewrite of the employment services provisions of Chapter 41, Title 38 U.S. Code. This Committee and its staff along with the Senate Veterans Affairs Committee and its staff have chiseled out a piece of legislation that, in our opinion, will be widely accepted as the major piece of employment service legislation to be enacted since Public Law 92-540 in 1972. We thank you for your leadership and strong support.

As you know, Mr. Chairman, it has been very difficult to actually quantify the unemployment rate among disabled veterans because so little data are available for this group. There have been studies, reports and estimates on unemployment and we believe the results reflect that even in the best of times a totally unacceptable rate of unemployment exists among our nation's disabled veterans.

Mr. Chairman, the DAV was founded on the principle that this nation's first and foremost duty to its veterans is the rehabilitation and the providing of adequate health care for our wartime disabled. Our membership composed of honorably discharged veterans who were disabled during military service to our country, has continually supported adequate vocational rehabilitation training. We have long believed that this type of training is necessary to assure the disabled veteran an easy transition into civilian life. It is also necessary, Mr. Chairman, to have this type of program available for those who, for whatever reason, experience an increase in their disability which may preclude them from continuing in their normal occupation. Congress has provided benefits for these individuals in order that they may be retrained at subsequent dates.

Vocational rehabilitation, as we know it today, was originally established by Public Law 78-16 enacted shortly after World War II. From its inception the program always had as its goal the restoration of employability. Mr. Chairman, the DAV as well as others in the veterans' employment community believed that goal to be insufficient. Public Law 96-466 made

significant changes and improvements in the Vocational Rehabilitation Program. One of the most important changes emphasizes the attainment of actual employment. After almost 40 years of institutionalized thinking about "restoration of employability" the rules were changed. Since the changing of these rules very little employment services training has been provided to the vocational rehabilitation staff.

Section 1500, Titled "Purposes" of Chapter 31, Title 38 U.S. Code, now states in part "the purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities... to become employable and obtain and maintain suitable employment".

Mr. Chairman, the DAV is satisfied with the legislative intent of Public Law 96-466. We are not pleased, however, with the accomplishments of those amendments. In part, our dissatisfaction stems from the fact that case loads have increased while at the same time additional administrative duties and direct labor intensive services have been established and a decrease in the number of personnel has occurred.

In fiscal year 1982 the Vocational Rehabilitation and Counseling Service had the equivalent of 629 FTEE Field Personnel and by fiscal year 1989 that figure has decreased to 568.

Mr. Chairman, our opinion is that it is most inadvisable to increase the responsibilities and scope of the program, as was necessary in 1980, then have the Administration concurrently decrease the resources available to carry out those mandated changes. That in itself presents a major roadblock to successful implementation of any legislation.

Mr. Chairman, in preparing for today's hearing I reviewed several documents to include a recent audit by the office of the Inspector General. That audit certainly raises some questions about the adequacy of providing employment services. However, we view the IG audit as one that was designed to tear down the program rather than to review and make good solid reccomendations on assuring that quality services are provided to our nation's disabled veterans. It appears that the audit is designed to save money rather than to save people. We will be taking a close look at that study but I believe that on first reading the recommendations have little merit.

Mr. Chairman, I do however, suggest for your reading a report of the Employment Services Task Group set up under the Vocational Rehabilitation and Education Service. This group is comprised of three field staff and several National Office staff. They have met on two occasions at Central Office and had several conference calls. They have identified 36 problems that impact on the delivery of employment services.

Mr. Chairman, this is a study undertaken by professionals in the field rather than auditors. I believe the task group's report should be looked at very closely as many of the problems will require some legislative as well as regulatory changes.

Mr. Chairman, I was asked several years ago to chair the Administrator's Advisory Committee on Rehabilitation. This committee has recently directed its attention to Vocational Rehabilitation. I will be asking the members of the Committee to review the task group's report and further request the Advisory Committee adopt, if appropriate, their recommendations. If our Committee does so we will make our recommendations formally to the Administrator of Veterans Affairs. I put much creditability in this report since it was an objective evaluation of their own program. I believe it is staffed by

extremely dedicated individuals who want to comply with what is morally and legally appropriate. Additionally, we will ask the task group to provide us with updates on their progress.

Mr. Chairman, I would like to discuss a couple of problems that I believe are very important. The task group looked at the lack of motivation for veterans to work as well as certain disincentives to employment. I was very pleased to see them look at this issue since it is one that affects the disabled population as well. It is not the first time it has surfaced in the disabled community. Most recently the Social Security's Disability Advisory Counsel looked at work incentives/ disincentives for disabled people in a very comprehensive manner. I can assure you that it is a very complex issue and one that will not be easily answered. I encourage the task group to continue in its deliberations on this issue.

They identified the lack of support for employment services on the part of the Vocational Rehabilitation and Counseling Officer. This, in large part, is an attitudinal problem which in some ways may be as difficult to address as the work disincentive issue. I believe this can be best addressed by providing additional training and assistance in alleviating unnecessary or duplicative paperwork. I believe the reluctance of the VR&C Officer to support employment services is one based almost exclusively on other problems confronting the office.

Lack of training for the professional staff was another problem they identified. The Disabled American Veterans believes very strongly that employment services training for these individuals should be an integral part of future training programs. Prior to 1984 the DAV had never participated in a Vocational Rehabilitation and Counseling Service Training Program. It was in 1984 that Director Dr. Dennis Wyant invited us and other veterans' organizations to participate on a panel to help provide employment assistance training. This was a small but significant step toward providing needed training.

In-depth training, similar to that currently being provided to DVOPs and LVERs at the National Veterans' Training Institute needs to be implemented for the VR&C staff. I cannot overemphasize our support for that type of training. The task group also identified the failure to focus on employment at the beginning of the VR process as a problem.

We suggest that a review be made to determine the feasibility of developing an individual employment assistance plan (IEAP) at the very outset. We believe this approach to be very sound and suggest that if both the Rehabilitation Specialist and the veteran knew step by step what was expected and had intermediate goals established this could prove to be very successful.

Insufficient incentives for staff to provide effective employment services was a problem they identified and the previously mentioned IG audit certainly helps to exacerbate that problem. The IG audit had nothing positive to say about the hard work and dedication of the VR&C staff nor did they once mention any particularly successful programs of more severely disabled veterans.

Mr. Chairman, I don't think there is any question that employment services for disabled veterans of the Vocational Rehabilitation Program can and should be improved. I believe we should look very closely at the Employment Services Task Group's recommendations as it is obvious that much thought and work went into this. Those areas that require legislative action should be scrutinized and those that require administrative or regulatory action should be treated likewise. I am sure many of

the recommendations can be implemented with little or no cost and we should ask the Administrator to review and respond to the recommendations.

Mr. Chairman, there is another area that needs reviewed. Several weeks ago in an appearance before the Subcommittee on Compensation Pension and Insurance we said we would not object to extending Vocational Rehabilitation Program for certain pension recipients, provided it did not impact adversely on the service-connected program.

Mr. Chairman, we believe there is evidence to show that the influx of certain pension recipients in the Vocational Rehabilitation Program hurts the service-connected veteran. We believe it is obvious that adding new eligibles without adding additional staff has an adverse impact on the original group to be served. We believe there are numerous questions that need to be answered before an evaluation can be made as to how this new program has impacted on Chapter 31.

We posed those questions to Dr. Dennis Wyant in a letter dated May 3, 1988. This letter is attached for the record. Additionally, Mr. Chairman, you will recall on June 24, 1987, less than a year ago, a joint hearing was held with this committee and the Subcommittee on Compensation, Pension and Insurance at which time the DAV outlined its concerns on the pension program.

Mr. Chairman, attached to my statement is an analysis of the Vocational Rehabilitation and Counseling Program. This analysis is extracted from the so call "Independent Budget." In essence, the question is not whether the program for pension recipients hurts the service-connected veteran but whether enough resources and personnel are available to serve both groups.

Mr. Chairman, apparently the House Veterans Affairs Committee agrees with our assessment that there is insufficient staff. In the Veterans Affairs Committee's report to the House Budget Committee on March 10, 1988, it is stated "Inadequate staffing levels have adversely affected the quality of service provided by VR&C" (page 11, House Committee Print No. 12).

Mr. Chairman, I have also attached to my prepared statement copies of Resolutions 348, 349, 291, 346 and 356, adopted at our 1987 National Convention in Atlanta, Georgia. Resolutions 348, 349 and 356, deal directly with Chapter 31.

Resolution 348 would require the VR&C staff to provide employment services to any service-connected disabled veteran who requires such services.

Resolution 349 supports additional staffing for the Vocational Rehabilitation staff to adequately fill positions of Job Placement Specialist.

Resolution 356 would permit state and local government agencies to participate in unpaid on the job training and work experience programs under Chapter 31.

Resolution 291 calls for the elimination of the delimiting date for eligible spouses and surviving spouses for benefits under Chapter 35, Title 38.

Resolution 346 would allow these spouses who are in a program under Chapter 35 to participate in the Work Study Program.

Mr. Chairman, I believe all of these proposals are worthy of your consideration.

Mr. Chairman, in my daily work I am involved with quite a few non-veteran disabled organizations. The VA's Vocational Rehabilitation Program is generally looked as a model. This is due in large part because it is an entitlement program. What is not known by the disability community is some of the problems we have outlined here today. I am very proud of the VA's Vocational Rehabilitation Program and pleased to be a product of it. I received my training as a DAV National Service Officer under Chapter 31 in the early 1970's. I can attest to the benefits it has provided me. We cannot allow the program to wither because of a lack of support by the executive branch. If we continue to cut staffing, Vocational Rehabilitation in the VA will not be one for emulation.

Mr. Chairman, we have also identified a need to provide timely services to disabled veterans currently being transitioned from military service to civilian life. The Department of the Army has established a program called "Project Transition" but as yet have not provided any direct services to disabled military personnel. We have suggested that the Department of the Army integrate ongoing services to include vocational rehabilitation to those individuals who have potential eligibility. We think it would be very easy for the military services to identify those individuals and to refer them to the Veterans Administration soon enough before discharge that vocational rehabilitation counseling services can be started early. We believe very strongly that this would go a long way towards providing an adequate and appropriate transition from military service for these individuals.

We also question the Administration's commitment from another view point. Although the mandate to provide employment services was enacted in 1980, it was only approximately 1986, when the Veterans Administration assigned individuals to specifically work on employment services. Two individuals were assigned to review cases and make recommendations to improve employment programs. They have, in a little over a year and a half, reviewed 600 cases to see if Congressional mandates are being carried out. When obvious errors are found they are brought to the attention of the appropriate office for corrective action. They continue to perform these duties, yet were recently downgraded in their position by the current Administration. How can we expect people to carry out Congressional mandates only to have the Administration tell them that their duties are not important enough to maintain their present grade. We believe this needs to be looked at very closely.

Mr. Chairman, I am also informed that the timeliness of payment to disabled veterans in Vocational Rehabilitation is next to archaic. It is my understanding that the Vocational Rehabilitation Program is the only payment system that is currently still maintained on the old manual system. This results in unnecessary delays in payments to beneficiaries. The Vocational Rehabilitation Program should be on the VA's computerized "target system" to make timely payments.

In conclusion, we again appreciate your ongoing concern that our nation's veterans who have received some disability during their service to our country receive adequate and meaningful employment services including through the Vocational Rehabilitation Program.

Mr. Chairman, we can provide adequate compensation health care and other benefits, but if we do not assist those disabled veterans' transition to meaningful career employment we have not truly rehabilitated nor transitioned these veterans into civilian life.

We look forward to working with you on these and other employment issues now and in the future.

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

May 3, 1988

Dr. Dennis Wyant
Director, Vocational Rehabilitation &
Counseling Service (22)
VA Central Office, Rm. 444
810 Vermont Avenue, NW
Washington, DC 20420

Dear Dr. Wyant

The Disabled American Veterans has a continuing concern regarding the Vocational Rehabilitation Program for service-connected disabled veterans. Our Field Offices Report that the delay from date of initial application to first date of counselling and date of enrollment are growing increasingly long.

Additionally, we are concerned that the relatively new program of vocational rehabilitation services for certain non-service connected pension recipients is having an adverse impact on services for the service connected disabled veteran.

Please furnish us the following information under the Freedom of Information Act, for both the service-connected and nonservice-connected programs.

(1) From the time of application for rehabilitation how long of a waiting period presently exists for the first appointment for counselling. How long before training actually begins. (2) What is the average length of training. (3) Are any of the rehabilitation staff specifically dedicated to working with the pension program? If so how many? (4) What is the average age of program participants. (5) What definition does the VA apply to the term "employment assistance?" (6) What definition does the VA apply to the term "training assistance?" (7) Are there any significant differences between the type of services provided those non-service-connected veterans versus the service-connected client. (8) Of those nonservice-connected veterans who declined services 267 gave the reason of "health too poor." Why were they determined feasible for rehabilitation? (9) What criteria does the VA use to determine feasibility? (10) Does the VA have any thoughts on why there is a higher percentage of participation for those over age 50 in the pension program?

(11) Does the VA have any recommendation for developing criteria whereby not all newly eligible pension recipients must be evaluated? (12) On average, how long are pension recipients unemployed before they start receiving pension? (13) To what does the VA attribute the regional office differences in feasibility determinations (percentages)? For example, St. Paul Minnesota determined only 7.7% of all those evaluated to be feasible for training. San Francisco found 75% feasible. However, there is very little difference between VA regions. The Eastern region is 31.9%; Central is 30.9%; and Western 33.4%. The National average is 31.7%.

We very much appreciate your early review and response to these concerns.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:qeb

MEETING THE CHALLENGE:
To Keep the Promise

An Independent Budget
by Veterans
for Veterans' Programs

Fiscal Year 1989

were made with private individuals (usually retired employees) to perform work on a fee basis. These management initiatives met with considerable success. For example, in May 1986 only 27 percent of VA appraisals were processed within VA's basic 15-day time standard, but by November 1986, 57 percent of the appraisals were meeting the timeliness standard.

These measures were, however, insufficient to adequately address the backlog problem, as the timeliness data indicate. We note with approval that the estimate of FY 1988 average employment to administer this program is 2,100—131 over the FY 1986 level of 1,969. This increase in the number of employees is, we think, desirable for several reasons. For one, the stop-gap measures taken in response to the upsurge in workload are disruptive to other programs and expensive (additional travel, contracting costs, and overtime). Second, they are "band-aid" approaches to a major problem that gives no indication of being quickly resolved—interest rates remain relatively low and economic conditions in the Southwest have not improved significantly.

Congress is also addressing problems in the loan guaranty program, most recently in P.L. 100-198. For example, that legislation includes, among others, a provision that would require the VA, to the extent appropriations are available, to provide personnel to implement improved service to veterans. It also makes a number of changes directed at problems of defaults, foreclosures, acquired properties, and loan management.

We are encouraged by these developments; they demonstrate that attention is being given to this program, both legislatively and administratively. However, we believe that additional resources must be provided to restore adequate service to veterans, particularly those who have defaulted on VA-guaranteed loans. Therefore, we are recommending that Congress authorize additional staff and funding at this time, solely for the purpose of providing immediate servicing of defaulted loans in an attempt to avoid foreclosure and reduce the program's liability.

Vocational Rehabilitation and Counseling: Increase staff to 714 FTEE at a cost increase of 1.6 million. The Vocational Rehabilitation and Counseling (VR&C) component of DVB provides assistance to veterans with service connected disabilities to help them achieve maximum independence in daily living, to become employable, and to obtain and maintain suitable employment. It also provides counseling services to veterans and members of the Armed Forces applying for educational and job training benefits and it operates career development centers. Its three main areas of activity are to provide: (1) Rehabilitation evaluation and planning; (2) Counseling and rehabilitation services; and (3) Employment services.

These services are among the most important in the entire veterans' benefits area. VR&C carries out the nation's commitment to help veterans disabled in military service—those to whom we owe most—to function independently and to obtain suitable employment. These services, moreover, are beneficial to the nation because they help restore disabled veterans to the status of economically productive, taxpaying workers.

Unfortunately, there are backlogs in the VR&C workload, due to inadequate staffing, which seriously undermine the effectiveness of the service VR&C provides. For example, a veteran must now wait 84 days, on average, from the time his application is received until he has an initial interview with a vocational rehabilitation specialist (VRS). This is an intolerable wait, especially as studies of successful vocational rehabilitation programs repeatedly show the critical importance of starting rehabilitation quickly—before negative attitudes about employability become established. In the short term, our goal is to reduce the wait to 30 days; for the longer term, even better performance is necessary and DVB should re-establish a presence in VA medical centers—such as it had in the post-WWII period. Among other things, such a presence will help VR&C to start contact with veterans needing vocational rehabilitation services at the optimal time—namely, early after hospitalization begins.

Other delays in VR&C services are occurring when vocational rehabilitation staff believe psychological counseling and evaluation is necessary.

Additional evidence of staffing shortages in VR&C include:

- An average workload of 182 cases for VA vocational rehabilitation specialists compared to a workload of 60 cases for comparable staff in the state/federal rehabilitation program.

- An increase from 155 days in FY 1984 to 232 days in FY 1986 in the average time from (1) the completion of a veteran's rehabilitation program and his readiness to seek employment until (2) he has been employed for 90 days, which is the point at which rehabilitation is counted as having succeeded.

In short, service to veterans in this important area is clearly inadequate. This has also been documented by General Accounting Office (GAO) and Inspector General (IG) studies completed in recent years.

Again the problem is caused by grossly deficient resources and a lack of training. For example, until approximately seven years ago, the VA was not involved in employment services. Before that time, once a veteran's vocational rehabilitation and counseling from the VA were completed, a veteran was on his own (or referred to the Department of Labor) for employment services. The VA has since become responsible for employment services, but no additional funds were provided. Vocational rehabilitation staff thus took on the new responsibility, but they have been overloaded with cases, and cannot devote appropriate time and attention to employment services.

We therefore note with approval the fact that VR&C has finally received authorization to create a new position of employment specialist. Currently, there are approximately 4,600 veterans needing employment services at any given time. We recommend a workload of 100 cases per employment specialist, or 46 FTEE for employment specialists in VR&C. This should finally provide adequate employment services. It will also generate some relief for rehabilitation specialists. However, to deal with the excessive backlogs and their very negative consequences, more staff is needed.

We therefore recommend increased staffing to provide one vocational rehabilitation specialist for every 125 rehabilitation cases and one counseling psychologist for every 20 active counseling cases; currently, the rehabilitation specialists carry an average workload of 182 cases, and the psychologists an average load of 25 cases. Despite this staffing increase, the vocational rehabilitation specialists will still be carrying more than twice the workload of their counterparts in the state/federal program.

We also want to emphasize an urgent need for training VR&C staff in their specialized work. Suitable training programs are available through contract with the Department of Labor.

ADP Systems Management: Actively manage systems modernization. The ADP Systems Management program is focused on the modernization of DVB's computer and telecommunication systems in order to provide better services to veterans and their dependents and survivors.

We have made several recommendations regarding the direction systems modernization should take; the manner of the specific implementation of these recommendations is a matter for VA management. The VSO's do, however, expect a realistic and cost-effective assessment of ADP needs by DVB. VA management must make a determination of whether a supplemental appropriation should be sought for ADP systems development. If a supplemental appropriation is appropriate, we urge the Congress to approve it.

We again emphasize the need for rapid modernization of DVB automated systems and the critical need for development of ADP links with the rest of the VA — and possibly other federal agencies—to provide the integrated, modern computerized systems needed to render timely and accurate service to veterans and to permit high-level productivity from DVB employees.

Support Services: Maintain current staff. The Support Services component of DVB provides administrative, finance, and personnel office staff to the rest of DVB. We find performance in this area more adequate than in others, and do not recommend an increase in staff or an increase in other resources beyond that needed to cover inflation.

DEPARTMENT OF MEMORIAL AFFAIRS (DMA)

The Department of Memorial Affairs (DMA), the second VA department funded by the General Operating Expenses (GOE) appropriation, carries out three main activities. For one, it inters deceased veterans, as well as members of the Armed Forces, their spouses, and certain dependents, in national cemeteries that have available grave space. Second, it provides headstones for these burials in national cemeteries and also for burials in private cemeteries. Third, it administers the program of grants to states for state veterans cemeteries.

Maintain current staffing. We recommend continuation of the present level of DMA staffing. As Chart III shows, the number of interments, headstones provided, and graves maintained each year is increasing rapidly as the veteran population ages, and current staff is able to keep up with this increasing workload only through increasing efficiency.

RESOLUTION NO. 348
LEGISLAIVE

REQUIRE THE VA'S VOCATIONAL REHABILITATION STAFF TO PROVIDE EMPLOYMENT SERVICES TO ANY SERVICE-CONNECTED *DISABLED VETERAN WHO REQUIRES SUCH SERVICES*

WHEREAS, the American labor force is experiencing rapid change due to changing technology and skill obsolescence; and

WHEREAS, service-connected disabled veterans frequently require assistance in finding suitable employment; and

WHEREAS, the VA employs counseling psychologists and vocational rehabilitation specialists in the vocational rehabilitation program who are qualified by education and experience to provide employment services; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 support legislation to require the VA vocational rehabilitation program to provide employment services to any service-connected disabled veteran who requests such services.

RESOLUTION NO. 349
LEGISLATIVE

IN SUPPORT OF ADDITIONAL STAFFING FOR THE VOCATIONAL REHABILITATION STAFF TO ADEQUATELY FILL POSITIONS OF JOB PLACEMENT SPECIALISTS

WHEREAS, job placement specialists require highly technical and specialized skills in assisting individuals in obtaining suitable employment; and

WHEREAS, the VA's vocational rehabilitation program is mandated by Public Law 96-466 to provide employment services to disabled veterans in training under Chapter 31, Title 38, U.S. Code; and

WHEREAS, the VA's vocational rehabilitation staff has suffered reductions so as to severely hinder their ability to provide required employment services; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 support additional and adequate staffing for the vocational rehabilitation staff for the purposes of creating and filling positions of job placement specialists.

* * *

RESOLUTION NO. 291
LEGISLATIVE

ELIMINATE THE DELIMITING DATE FOR ELIGIBLE SPOUSES AND SURVIVING SPOUSES FOR BENEFITS PROVIDED UNDER CHAPTER 35, TITLE 38, U.S. CODE

WHEREAS, dependents and survivors eligible for VA education benefits under Chapter 35, Title 38, U.S. Code have ten years in which to apply for and complete a program of education; and

WHEREAS, this ten year period begins either from the date a veteran is evaluated by the VA as permanently and totally disabled from service-connected disabilities or ten years from the date of such veteran's death due to service-connected disability; and

WHEREAS, in many instances, because of family obligations or the need to provide care to the veteran, spouses or surviving spouses may not have had an opportunity to apply for these benefits; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 seek the enactment of legislation which would eliminate the delimiting date for spouses and surviving spouses for purposes of benefits provided under Chapter 35, Title 38, U.S. Code.

RESOLUTION NO. 346
LEGISLATIVE

ALLOW CHAPTER 35, TITLE 38, U.S. CODE RECIPIENTS TO PARTICIPATE IN THE WORK STUDY PROGRAM

WHEREAS, spouses, widows and surviving children of certain service-connected disabled veterans have eligibility for Chapter 35, Title 38, U.S. Code educational benefits; and

WHEREAS, a work study provision currently exists for veterans attending VA programs of education on a full time basis to supplement their education allowance, as well as provide work experience; and

WHEREAS, the absence of a similar work study program creates a gross inequity for the widows, spouses, and surviving children eligible for educational assistance under Chapter 35, Title 38, U.S. Code; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 support legislation to allow Chapter 35, Title 38, U.S. Code recipients to participate in work study programs.

* * *

RESOLUTION NO. 356
LEGISLATIVE

PERMIT STATE AND LOCAL GOVERNMENT AGENCIES TO PARTICIPATE IN UNPAID ON-THE-JOB TRAINING AND WORK EXPERIENCE PROGRAMS UNDER CHAPTER 31, TITLE 38, U.S. CODE

WHEREAS, Chapter 31, Title 38, U.S. Code, authorizes the VA to use federal agencies for unpaid on-the-job/work experience programs; and

WHEREAS, the unpaid on-the-job/work experience provision has proven to be a valuable option for certain disabled veterans in reaching their rehabilitation goals; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 support legislation to allow the VA and state and local government agencies to enter into agreements to place disabled veterans into an unpaid on-the-job/work experience program under Chapter 31, Title 38, U.S. Code.

* * *

STATEMENT OF
JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING CHAPTER 31,
THE VOCATIONAL REHABILITATION PROGRAM
MAY 11, 1988

Mr. Chairman and Members of the Subcommittee, on behalf of the members of the Paralyzed Veterans of America, I wish to thank you for conducting this oversight hearing and giving us the opportunity to present our views and comments regarding the VA Vocational Rehabilitation Program. Specifically, we will address the quality and timeliness of services provided by the Veterans Administration to service-connected disabled veterans seeking to find and maintain long-term meaningful employment.

I wish to preface my remarks by expressing our organization's sincere appreciation for this Subcommittee's efforts on behalf of those individuals who have participated in the Vocational Rehabilitation program. Today, we specifically compliment you for your continued concern regarding the well-being of this important program and your efforts to examine and evaluate the manner in which Chapter 31 benefits are administered.

The Veterans Rehabilitation and Education Amendments of 1980 (Public Law 96-466) provided a wealth of services and assistance necessary to enable an eligible veteran with service-connected disabilities to become employable, to obtain and maintain suitable employment, and to achieve maximum independence in daily living.

Since the enactment of Public Law 96-466, the Vocational Rehabilitation and Counseling Service (VR&C) has worked to fulfill the mission presented to them by the 96th Congress.

Mr. Chairman, there are several major factors affecting the ultimate ability of the Vocational Rehabilitation staff to fulfill its mission of delivering Chapter 31 benefits in an efficient and timely manner. The most significant of these factors are 1) proposed staffing reductions, 2) employee training programs, 3) the interaction between the Department of Veterans Benefits and the Department of Medicine and Surgery, and 4) the Vocational Rehabilitation Program for nonservice-connected pensioners. These four principal components, and management's ability to adequately control and influence the course of each, will determine the degree to which VR&C's mission succeeds.

Vocational rehabilitation specialists and counseling psychologists represent the front line of the benefit delivery system within this important program. They must provide benefits in a timely manner and a manner that meets basic quality-of-service standards. They must be both accurate and compassionate in their determinations. Today their mission has been seriously threatened.

Since the inception of Public Law 96-466 in 1980, the Department of Veterans Benefits has suffered staffing reductions amounting to 4469 staff years. The Vocational Rehabilitation and Counseling Service reflects this unfortunate decline. Even a cursory review of the statistics illustrates the unmanageable situation VR&C finds itself in today. Full time field staff have been reduced from 598 employees in 1984 to 563 in 1987. VR&C's workload has increased due to independent living programs, vocational training for pensioners, and other employment programs. The average caseload for a VA counselor is now 200 cases compared to 15 to 20 in the private sector. As a result, a disabled veteran must wait three months from the time he fills out the initial application until he has the initial interview with a counselor.

Additional unacceptable delays occur during each subsequent phase of the rehabilitation process.

In addition to providing services to enable service-connected veterans to become employable, the VR&C has been charged with the responsibility of providing vocational training for nonservice-connected pension recipients. PVA feels this program is one of the most innovative and potentially productive ones to be implemented by DVB in recent years. H.R. 4216, recently introduced by the Honorable Douglas Applegate, would wisely extend the program to January 31, 1992, and remove the case limitation which is presently set at 3500 evaluations per year.

Now, at a time when this valuable program is gathering speed, the Administration has proposed yet another staffing reduction for FY 1989 by eliminating 11 more desperately needed personnel in the VR&C staff. PVA applauds the House Committee on Veterans' Affairs for its efforts to restore these employees to the ranks of DVB. Your success in this endeavor is absolutely essential in order for VR&C to even minimally maintain the current level of services. PVA strongly endorses the Committee's recommendation which rejects the Administration's proposal and recommends that an additional 53 full time employees be provided VR&C. Only in this manner can VR&C fulfill the mission intended by Congress when the "Veterans' Rehabilitation and Education Amendments of 1980" (Public Law 96-466) was enacted eight years ago.

Budget constraints have eroded another important aspect of the VR&C program. The service's ability to properly train their personnel has deteriorated significantly in recent years. Inadequate staffing, when coupled with inadequate or nonexistent training, has resulted in a totally unacceptable rate of incorrect decisions and determinations. We are encouraged by the Regional Training Seminars that have been conducted to improve the quality of services provided. We are hopeful that this vital effort is supported by an appropriate number of staff; otherwise, the progress to date will be seriously undermined.

In addition to the ripple effect that staffing reductions have had on DVB and VR&C, the present Target System VR&C must use is inadequate to accomplish the needs of a sophisticated rehabilitation program in the 1980's and 1990's. DVB's need to modernize in order to improve services to veterans while reducing costs is unparalleled in recent history. PVA urges that the modernization effort in DVB information systems be given the very highest priority.

As a member of the Administrator's Advisory Committee on Vocational Rehabilitation, PVA is encouraged by the Administrator's efforts to scrutinize the inner mechanisms of the Vocational Rehabilitation program and propose solutions to the existing problems.

In our attempt to assess VR&C's ability to interact with VA Medical Centers, however, what we see today is not what the 96th Congress envisioned when Public Law 96-466 was passed in 1980.

Many veterans applying for vocational rehabilitation are able to complete the program by following a prescribed course of education or training followed by employment placement service. Many others, however, are in need of more comprehensive services including extended evaluation and periodic assessments by both VR&C and DM&S personnel. These two components must efficiently work together as a team in order to reach the ultimate goal of rehabilitating a disabled veteran. We have found that severe problems exist which significantly lessen the probability that such a goal will be achieved.

My following comments are based on my organization's observations and analysis of the working relationship between VR&C and DM&S personnel regarding their attempt to provide adequate vocational rehabilitation service to our Nation's veterans. Our deep concerns come as the result of many interviews with veteran participants, employees of the program, and our own service representatives who have, for years, observed first hand, this combined effort. Our purpose here is to sound an alarm.

Without question, the Chapter 31 program and the vocational rehabilitation for pensioners program are getting very little emphasis by the medical centers. The evaluations and rehabilitation efforts required by the program are simply not a high priority with Hospital Directors who are more concerned with DRG's and acute care. The imposition of DRG's has, in our view,

fostered an "acute care syndrome" which is detrimental to the goals and objectives of vocational rehabilitation programs. We are concerned that social workers are used primarily to remove impediments to patient discharges and that the current in-house medical system only serves as a conduit to outside services; i.e., accomplish the basics and refer the veteran out of the system.

There is significant lack of uniformity in the methods by which various hospitals approach both Chapter 31 cases and vocational rehabilitation for pensioners. Funding is the bottom line and in most cases it is inadequate to fully implement the required services. Directors must choose between an acute care ward that is short of nurses and a potentially long range evaluation/rehabilitation program for a disabled veteran who is trying desperately to become employable.

There is very little formal training or guidance provided the vocational rehabilitation staff in the medical centers. These are the individuals who are responsible for sending a patient's test scores, behavioral observations, and recommendations to DVB for consideration concerning "feasibility for training" determinations.

Once under DVB jurisdiction, there is very little evidence that DVB and DM&S employ a team concept approach to address and establish mutual goals, conduct follow-ups, make job site visits, or track referrals for those individuals who need extended rehabilitation.

We are also concerned that the low priority given Chapter 31 cases by VA Medical Centers will result in an ever-increasing number of seriously disabled veterans who will be found to be "infeasible for training." In terms of time and resources, it is significantly easier to fully rehabilitate an individual who is rated 20% or 30% than one who is rate 100% disabled. When budgets are low, this is a tempting way to go. Rehabilitation services to the seriously disabled can be cost and time intensive. The actual services provided, therefore, may be influenced by cost factors, particularly, when weighed against the requirements of resources and time needed to successfully rehabilitate a catastrophically disabled veteran.

Finally, parochialism existing in VR&C and DM&S precludes the development of a good united program. The existing managerial and philosophical differences between the two groups assure continued problems in this aspect of the Chapter 31 program.

Each Regional Office/VAMC rehabilitation program must have a leader, such as as VR&C Counseling Psychologist, with the authority to prioritize the efforts of his vocational rehabilitation team consisting of personnel from both departments. There must be early, united involvement in the motivation, vocational assessment and psychological adjustment of a client. Cooperation, similar philosophies, and, most of all, leadership and direction must be employed by DVB and DM&S.

In summary, the Vocational Rehabilitation and Counseling Service desperately needs this Subcommittee and the Congress to restore vital personnel lost to Administration budget cuts. They desperately need a modern ADP system and proper training programs. And finally, the Administrator must take action to enable this benefit program to be delivered by a cohesive and united team, one with identical objectives, and one that can prioritize vocational rehabilitation within the spectrum of all benefit programs and medical activities. Only then does the VA Vocational Rehabilitation Program stand a chance of achieving the standards envisioned by the Congress in 1980.

Mr. Chairman, that concludes my testimony. I will be glad to answer any questions you may have.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN DOWDY TO VETERANS' ADMINISTRATION

Office of the
Administrator
of Veterans Affairs

Washington DC 20420

JUL 11 1988

Veterans
Administration

JUN 30 1988

In Reply Refer To:

226A

Honorable Wayne Dowdy
Chairman, Subcommittee on
Education, Training and Employment
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am pleased to transmit our responses to the questions which you forwarded to us following the hearing held before the Subcommittee on Education and Training on May 11, 1988.

Sincerely,

THOMAS K. TURNAGE
Administrator

Enclosures

QUESTION 1.

On page 3 of your statement you discuss the current strict criteria which must be met before a veteran can be considered rehabilitated. Has this criteria caused a problem for your staff? Should it be amended so that it will provide a more realistic evaluation of the work done in VR&E?

RESPONSE: The purposes of chapter 31 stated in Title 38 provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

The strict criteria written into the chapter 31 regulations are correct in governing the identification of veterans achieving "rehabilitation" through planned services leading to the maintenance of suitable employment, or through achieving independence in family or community.

However, there are many instances in which services provided have contributed to the employability, employment, and/or a lessening of dependence on others in daily living, but where these specific results were not according to the formal plan of services, or "fall short" of such a plan. For example, a veteran may complete training and benefit from other rehabilitation services and decide not to pursue employment because he or she decides to pursue additional training such as an advanced degree, but where such advanced degree is not needed to enter suitable employment. Other examples of veterans who complete training and other rehabilitation service, but who do not then avail themselves of employment include those who have Social Security Disability Income which when combined with VA compensation exceeds the amount of wages which can initially be earned from new employment, those who will not relocate for employment, and a few who, for a variety of reasons, refuse to start a new career.

Some veterans, though prepared for employment suitable to their disabilities, obtain other employment which pays more but which is not suitable to their disabilities. Through persistent effort they keep the employment even though it will worsen their disability. Other veterans accept employment as an alternative to relocating when such employment pays less than that for which they were prepared. In these cases it can be demonstrated that planned rehabilitation services and assistance contributed to the veterans' obtaining the employment, but also that such employment is ill advised in terms of rehabilitation practice.

In the above cited situations the purposes of chapter 31 services have been met, even though not ideally. We are developing additional criteria to use in recognizing these situations in which a veteran realizes rehabilitation gains without subverting the greater intent of Congress - the suitable employment of veterans with service-connected disabilities.

QUESTION 2.

I think we all agree that staff training is critical to the success of any vocational rehabilitation program. We will hear from later witnesses that training for VA staff has been inadequate. I note that you recently held six regional training workshops. What are your plans for future professional training? What percentage of your budget is earmarked for training and development programs?

RESPONSE: The beneficial results of the professional staff training conducted during 1987 have been evident in the work reviewed during the 1988 field review surveys conducted by the Central Office staff. Current plans provide for a series of workshops in fiscal year 1990 similar to 1987 and a conference for the Vocational Rehabilitation and Counseling Officers in fiscal year 1989. Additionally, the following initiatives are in progress that also provide training and improved quality of service.

a. Training program for counseling psychologists and vocational rehabilitation specialists. This program will provide one year of training for individuals selected from a register of qualified candidates. The training will consist of both academic instruction at major universities as well as internal staff development on VA policy and procedures. The program is expected to involve about 8 to 10 individuals each year.

b. A revised quality review system is under development. This system will continue to identify errors, but in addition will contain a learning component that encourages improved service delivery. Testing of the system is scheduled for completion in fiscal year 1988 and will be implemented in 1989.

In 1987, $479,000 or 1.9% of a total GOE expenditure of $24,839,000 was allocated to training, research and demonstration projects. This does not include GOE funds expended for local training carried out by regional offices.

QUESTION 3.

I appreciate your mention of the Callender Stationery Company in Columbia, Mississippi, a small company which hires Chapter 31 disabled veterans. What outreach do you do to private sector employers to familiarize them with the benefits of hiring disabled veterans.

RESPONSE: VR&C Officers, counseling psychologists and vocational rehabilitation specialists in the field all have outreach responsibilities. VR&C's excellent liaison with Callender Stationery is typical of the private-sector outreach work done by staff around the country. At the national level, VR&E Service late last year mailed material promoting the chapter 31 program and disabled veterans in general to 25,000 private employers around the country who had previously indicated their support in hiring disabled veterans. The mailout included an invitation to attend the annual meeting of the President's Committee on Employment of the Handicapped held in Washington, D.C. May 4-6, 1988. Broken down by state, the 25,000 strong private-sector mailing list has been provided to each regional office for use in local outreach efforts. VR&E liaison with Lockheed Corporation has resulted in this major private employer placing an advertisement promoting the employment of disabled veterans in Aviation Week and Space Technology, which is subscribed to by approximately 150,000 individuals representing virtually all private-sector aerospace employers.

QUESTION: 4.

What outreach do you do to inform disabled veterans of the benefits available to them under Chapter 31? Does the VA routinely, and on a timely basis, contact veterans such as those injured in the attack on the Stark, the Gander crash, the Beirut bombing or the Grenada invasion? Is there any contact made while individuals such as these are hospitalized?

RESPONSE: The VA's outreach and notification activites are designed to ensure that veterans with potential eligibility for VR&C (Vocational Rehabilitation and Counseling) Division services are made aware of those services. Numerous efforts are employed to help veterans who initiate an application maintain progress toward successful rehabilitation.

When there is potential eligibility for services under chapter 31, veterans are informed in a special letter of the availability and purpose of vocational rehabilitation. VA Form 28-1900, Disabled Veterans Application for Vocational Rehabilitation is also furnished. This special letter is provided whenever any one of the following situations occurs:

a. A VA rating results in an initial or increased grant of disability compensation, or

b. A VA rating results in service-connection for an additional compensable disability or an increased evaluation for an existing service-connected disability even though there is no change in the combined evaluation, or

c. A DD214, Certificate of Release or Discharge From Active Duty, is received showing that the veteran has been retired from the Armed Forces because of a disability.

If the veteran does not respond to the special letter mentioned above, VR&C Division staff attempt to contact the veteran. Motivation contacts are made on a priority basis according to the severity of disability. Emphasis is placed on seriously disabled veterans because they are most likely to benefit from the comprehensive services available under chapter 31. Motivational contacts are made by telephone, letter or in person based upon the nature of the disability and available resources. Every effort is made to provide the veteran with sufficient information to make a reasoned decision about exploring the merits of a vocational rehabilitation program.

The VA has a policy of contacting injured veterans as soon as possible after critical events such as the Grenada invasion and the attack on the Stark. When the names and addresses of injured veterans are released by the military, the VA alerts the appropriate regional offices. Special procedures are then set in motion which may include outreach by VBC's (Veterans Benefits Counselors) who are knowledgeable about VA benefits and services, off-system processing and expediting of inquiries and claims and visits to veterans' homes as needed. VBC's are routinely stationed at VA medical centers to provide information about programs such as chapter 31. As appropriate, VR&C staffs provide counseling services to hospitalized veterans who are interested in pursuing a vocational rehabilitation program.

QUESTION 5.

The VA response to a question submitted by this Subcommittee following a 1985 vocational rehabilitation hearing included the following statement:

"The typical VRS is responsible for an average of 167 Chapter 31 veterans under Chapter 31. They are overburdened and unable to provide the level of quality services the service-disabled veteran deserves. To cope with the increase in the VRS's workload, counseling psychologists are required to assume a number of VRS responsibilities, jeopardizing their ability to provide counseling and evaluation services. The impact of this workload is most critically evident in the difficulties we experience in providing comprehensive employment services. At this time, the system needs more counseling psychologists in addition to more VRS's if we are to effectively rehabilitate a greater portion of our Chapter 31 veterans".

It appears to me that the situation has not improved. In fact, staffing levels have decreased and caseloads are up. Given that, why was it indicated in 1985 that there was a need for additional staff but in 1988, the President's budget included a recommendation that VR&C staff be cut?

RESPONSE: The field staff in 1985 was 575 as compared with 579 in 1988 and 568 planned for 1989. It is true that caseloads have increased somewhat with stable staffing, however, several initiatives have been undertaken to assist the staff in coping with the workload. These initiatives include:

- o Computer Assisted Information System (CAIS) that improves timeliness for test administration during counseling, accessible and accurate occupational information and training opportunities.

- o Six regional training workshops for professional staff during 1987 to improve their efficiency in delivering services.

- o Use of a functional assessment reporting system and development of automated rehabilitation plans. This program is under development with full implementation scheduled in 1989 or 1990.

QUESTION 6.

For the record, please provide us with the following information regarding the Office of Information Systems and Telecommunication (OIS&T).

A. How many individuals work in OIS&T? 1,170.
B. How many of these individuals are working on education program? 74.
C. How many are working on the vocational rehabilitation program? 2.
D. How many individuals in the Department of Veterans Benefits are computer specialists? 357.

E. How many of these individuals are working on education-related issues? 75.5. Please note the number of computer specialists devoted to systems analysis, programming, auditing, and management for education-related issues represents the number currently working on these issues. Education-related issues are taken to mean both vocational rehabilitation and other VA educational entitlement program issues. The number of specialists assigned to these issues fluctuates based upon Departmental priorities for program development.

QUESTION 7.

Section 1515 of title 38, U.S. Code, provides the Administrator the authority to utilize rehabilitation resources outside the VA. Has the Administrator exercised his authority under this section? For example, how many veterans are pursuing Chapter 31 training in a Federal agency, as provided in Section 1515(A)(1)? Would it be helpful if the authority was provided for veterans to pursue training in a state or local government agency?

RESPONSE: The Administrator has extensively exercised his authority in using non-VA rehabilitation resources to accomplish the purposes of the rehabilitation program under this section. The term rehabilitation resources includes all facilities providing education and training services under the vocational rehabilitation program as well as sheltered workshops and rehabilitation centers which provide special assistance in areas of evaluation, work adjustment, and training for seriously disabled veterans. Almost all of the education and training provided under the rehabilitation program and a substantial proportion of the special rehabilitation services described above are furnished through contracts, agreements or other arrangements with non-VA service providers.

The Administrator has also utilized his authority to provide on-job training and work experience at no or nominal pay in Federal agencies. There were 310 veterans in training or work experience programs in federal agencies as of May 1, 1988 and 493 participated in these programs during 1987.

We believe it would be helpful if this authority was provided for veterans to pursue training in state or local government agencies. Development of such options are particularly helpful in those areas of the country in which there are few, if any, federal facilities. Provisions which would extend the authority to establish nonpay programs of training and work experience in state and local agencies are contained in HR.4611

QUESTION 8.

You mention the Employment Task Force which has been created. What were the major conclusions reached by the Task Force?

RESPONSE: The Employment Services Task Force, a group of nine VR&E Service professionals with expertise in vocational rehabilitation and employment placement, met on two separate occasions to study problems impeding the effective delivery of employment services to chapter 31 participants.

Understanding that the overall credibility of the vocational rehabilitation program is related to the successful placement and retention of chapter 31 and chapter 15 participants in the competitive world of work, the members approached their task with a concerted effort and breadth of knowledge which resulted in a thorough review of the provision of employment services.

The Task Force, with input from staff of eleven regional office VR&C Divisions, identified thirty-six problems judged to impede the effective delivery of employment services to the population served. The Task Force then proceeded to analyze the problems with respect to issues to be addressed and recommended solutions.

Of the thirty-six problem areas identified, the Task Force has recommended solutions to eighteen. These recommended actions have been selected because they can be implemented with existing resources and in a relatively short period of time. The recommended solutions cluster in the following areas:

- o Improving the overall qualifications and competencies of the professional staff;
- o Expand employment services and job placement activities in the chapter 31 rehabilitation planning process.
- o Promoting more effective case management methods.

QUESTION 9.

I'm a little surprised that the VR&C operations manual is only 90 percent completed. During hearing held by this Subcommittee in 1985, we were told the manual was 75% completed and would be printed in fiscal year 1986. What's the problem? Why such a long delay?

RESPONSE: The program manual consists of 38 chapters, 22 have been approved by the Chief Benefits Director and are currently being used by field staff. The remaining 16 chapters have been written and are in concurrence within the Department of Veterans Benefits. It is anticipated that all chapters will receive final approval not later than October 1, 1988.

The process has taken longer than anticipated. A portion of this delay resulted from a comprehensive review of the chapters by field staff to ensure that procedures were workable and efficient for the employees providing services to veterans and dependents. While this added time to the development process, the procedure should result in better compliance with program policy and procedures.

QUESTION: 10.

As you know, we recently passed legislation, S.999, which will codify the National Veterans Employment and Training Services Institute (NVTI). Are the VA's vocational rehabilitation specialists participating in the NVTI training program in any way? It seems to me that VRS's could both contribute a lot to the NVTI curriculum and, perhaps, learn a lot.

RESPONSE: Recent discussions between VR&C program managers and DOL ASVETS staff indicate that there is a very good possibility that the resources of NVTI may be soon used to provide employment training to selected VR&C vocational rehabilitation specialists. Use of this resource should assist both agencies and the veterans we serve.

QUESTION: 11.

Regarding the Independent Living Program, who is now being served by this program? What types of disabilities do the participants have? Are there any problems with this program which could be corrected legislatively?

RESPONSE: Presently there are nineteen (19) veterans participating in the Independent Living Program. The disabilities include: Psychotic Disorders (6); Organic Brain Disease (4); Spinal Cord Injury (3); Neurotic Disorder (2); Hearing (1); Cardiovascular Disease (1); Disease of the Central Nervous System (1); and Disease of the Eyes (1).

The law currently authorizes the use of public and private not-for-profit agencies to provide programs of Independent Living Services. The exclusion of for-profit agencies and facilities may be an impediment to providing Independent Living services in certain geographical areas. As a result of recent field experience, we are studying whether the bar to using for-profit agencies and facilities is adversely affecting our ability to utilize the most available knowledge, methods and techniques in providing programs of Independent Living services.

QUESTION 12.

In the past, it was charged that some VA staff did not make required follow-up contacts to ensure that veterans who had completed Chapter 31 training were satisfactorily employed. Is follow-up now being done routinely?

RESPONSE: VR&C staff are required to contact veterans whose cases are in employment services status on a monthly basis. Employment services case status includes the 60-day to 90-day post-employment follow-up period. Evidence gathered from the Central Office review of rehabilitated cases in the last half of fiscal year 1987 indicates that routine follow-up performance is improving but that follow-up was below standards in about 20 percent of the 635 cases reviewed. Stations which submitted a large number of cases during the six-month period evidenced improvement in this area as earlier cases were received at the regional office and staff had an opportunity to review Central Office critiques. Staff is aware of the requirement for post-employment follow-up as a result of the review of rehabilitated cases and the series of training conferences held last fiscal year.

QUESTION 13.

During hearings held by this Subcommittee in 1983 and again in 1985, the VA was asked what major rehabilitation research special projects were being conducted by the VA. Both years the Subcommittee was informed that VR&C was not sharing in the VA research budget. In 1985, however, we were assured that steps were being taken to rectify this. What steps have been taken? What percentage of the VA research budget currently goes to VR&C?

RESPONSE: The funding for VR&C research and demonstration and special projects increased from an annual average expenditure of $10,000 to $15,000 in the time from 1983 through 1986 to expenditures in 1987 of $479,000; $157,000 in 1988; and planned expenditures of $365,000 in 1989. These funds have been used for the following initiatives:

- Procurement and expansion of a Computer Assisted Information System (CAIS) for use in service delivery. This includes occupational information, training opportunities, interactive testing, an employer job bank and functional assessment capabilities.

- Development and installation of a Functional Assessment and Computerized Individual Written Rehabilitation Plan development. This is planned for development in 1988 and full installation in 1989.

- Training support funds for VA sponsored Counseling Psychologist and Vocational Rehabilitation Specialist training programs scheduled for 1989 and 1990.

- Field initiated research and demonstration projects. Projects in cooperation with the National Institute on Disability and Rehabilitation Research, such as the study of the competencies of rehabilitation professionals conducted by the University of Wisconsin.

These funds are in addition to and separate from R&D expenditures in the Department of Medicine and Surgery that are currently estimated at $192,899,000.

QUESTION 14.

Quality of service to veterans training under Chapter 31 is a big concern. You mentioned a new quality review system. Would you explain that in more detail? What other initiatives are you undertaking to improve service quality?

RESPONSE: The Quality Review System (QRS), to be implemented at the beginning of fiscal year 1989, is a set of criteria used to judge the quality of decisions and actions taken in the course of a rehabilitation case. Following the normal progression of a case, the QRS judges services and actions in four process categories--"Initial Evaluation," "Rehabilitation Planning," "Rehabilitation Services," and "Employment Services." Within each process category crucial actions and services will be judged on the basis of objective criteria and assigned a quantitative value, thus yielding a total "score." Central Office staff is now in the final stages of testing QRS prior to implementation in October. QRS focuses attention on the quality of services rather than the absence of errors as the goal of professional personnel. Renewed attention to recruiting high quality personnel and encouraging personnel on board to upgrade their professional qualifications are two important initiatives intended to improve the quality of services. Constant communication between Central Office staff and VR&C staff in the field is intended to clarify and amplify regulations and procedures, thus improving the quality of services. Similarly, the on-going field survey program is primarily intended to improve VR&C quality.

QUESTION 15.

I know that for some time after the enactment of Public Law 96-466, the VA continued to look at the Vocational Rehabilitation Program as a process of paying a subsistence allowance to people in training rather than assuring that they found their way into the world of work. How do you now rate the quality of employment assistance provided by VA? Are you working effectively with the Department of Labor to improve the quality of employment assistance? What else needs to be done?

RESPONSE: There are two major aspects to the VA's approach to providing employment services which must be considered in evaluating the quality of services being furnished. These are:

a. Development of an IEAP (Individualized Employment Assistance Plan) in each case in which the veteran is ready to pursue a specific employment goal. The purpose of the IEAP is to identify the specific services which the veterans will need in order to obtain and maintain suitable employment, and the resources which may be used to provide these services. Employment services can include helping the veterans develop job readiness skills, payment for licensure examinations, tools and supplies needed for employment, use of community resources such as the Employment Service or the network of DVOP (Disabled Veterans Outreach Program) specialists, job placement assistance by VA staff as necessary, medical care, or any other appropriate service which the veteran may need to obtain and maintain suitable employment. Once developed the IEAP serves as a roadmap for the veteran, VA staff and the staff of other cooperating agencies and organizations in helping the veteran to obtain and maintain suitable employment.

b. Implementation of the provisions of the IEAP. This involves authorization of the services specified in the plan, such as developing job readiness skills, coordination with other agencies such as the Department of Labor in providing employment assistance, and other services which may be listed in the plan.

The Employment Task Force (see Question 8) was created to identify problems and work recommendations for improved employment services. This Task Force submitted eighteen recommendations that are currently being considered for implementation.

We believe that cooperation with the Department of Labor, specifically the Office of the Assistant Secretary of Labor for Veteran's Employment, and the programs administered through that office have improved. One example of our coordination was a mailout to over 25,000 employers who support the employment of veterans. We offered and DOL accepted the opportunity to include information in the form of a brochure, to remind federal contractors of their affirmative action obligations for Vietnam veterans. This example of coordination at the national level has its counterparts at the field level. However, our experience indicates that coordination is an area which needs constant attention, and unless that attention is given by both parties, problems in service delivery can develop.

One major step we are taking to help assure the quality of services is to update and revise the VA-DOL agreement developed in 1984. This agreement is the most important and specific statement of coordination of policy and procedure between the two agencies. Revision is needed to include legislative changes such as those recently enacted in Public Law 100-323. In addition, we expect to utilize the experience we have gained during the period this agreement has been in force to make procedural changes which will improve service delivery.

QUESTION: 16.

I am disturbed by the action taken by OMB removing the "request for counseling" item from the application for veterans benefits. How are veterans now informed that counseling is available to them? Can we assume that many veterans are unaware that they may request counseling services?

RESPONSE: Veterans are informed of the availability of counseling by an item on the application for educational assistance which states that the VA can provide professional counseling to help the veteran plan an educational or vocational program. The veteran is instructed to contact the regional office for further information. VA Form 28-8832, Veterans Application for Counseling, is designed in a pamphlet format to describe the benefits of counseling. These counseling pamphlets are readily available in regional offices and at other locations which veterans visit. Therefore, veterans should be aware that counseling is available. The VR&E Service will continue its efforts to broaden the information which veterans can obtain concerning the scope and nature of counseling.